

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

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UNITED STATES OF AMERICA,

Plaintiff,

-vs-

Case No. 20-CR-20-JDP

DANIEL PEGGS,

Madison, Wisconsin

December 2, 2021

Defendant.

1:01 p.m.

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STENOGRAPHIC TRANSCRIPT OF SENTENCING  
HELD BEFORE CHIEF U.S. DISTRICT JUDGE JAMES D. PETERSON

APPEARANCES:

For the Plaintiff:

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BY: JULIE S. PFLUGER  
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For the Defendant:

Federal Defender Services of Wisconsin  
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Also appearing: DANIEL PEGGS, Defendant  
MARIAH STIEVE, U.S. Probation Officer  
SHAVON CAYGILL, Paralegal

Jennifer L. Dobbratz, RMR, CRR, CRC  
U.S. District Court Federal Reporter  
United States District Court  
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1 (Proceedings called to order at 1:01 p.m.)

2 THE CLERK: Case No. 20-CR-20-JDP-1, the *United States*  
3 *of America v. Daniel Peggs*. Court is called for a sentencing.

4 May we have the appearances, please.

5 MS. PFLUGER: Julie Pfluger on behalf of the United  
6 States. Good afternoon, Your Honor.

7 THE COURT: Good afternoon.

8 MR. BUGNI: Good afternoon, Your Honor. Joe Bugni and  
9 Shavon Caygill from Federal Defender Services appearing on  
10 behalf of Mr. Peggs.

11 THE COURT: Good afternoon to all of you.

12 All right. I see there's a lot of people in the courtroom.  
13 Anytime a public figure commits a crime, it's bound to generate  
14 a lot of interest among the public, and I'm happy to have you  
15 here in the courtroom. What we do in federal court is public,  
16 and you're welcome to observe. Of course, I'm sure you  
17 understand it's a somber proceeding, so there shouldn't be any  
18 outbursts or commentary. You're here to listen. If anybody  
19 creates a ruckus, I'll ask that you be removed. I'm sure that  
20 won't happen.

21 I think it might be appropriate for me to start by making a  
22 couple of preliminary comments. I have read every one of the  
23 letters that have been sent to me, and I think there are over a  
24 hundred of them. A couple of points emerged from those letters  
25 that I think warrant clarification at this point.

1 First of all, let me talk about the grand jury and the  
2 indictment. The Constitution of the United States requires the  
3 government to present its case to a grand jury and requires that  
4 the government secure an indictment before an individual can be  
5 prosecuted. That prevents the government from prosecuting  
6 somebody on the basis of a trumped-up charge that doesn't really  
7 have any evidence to support it. It's an important part of the  
8 process, but it doesn't establish the defendant's guilt to have  
9 an indictment issued. In fact, the instructions that I would  
10 read to the jury that would hear the case if it goes to trial  
11 include a very specific instruction that the indictment doesn't  
12 even create a suspicion of guilt. And so many commenters in the  
13 letters expressed surprise that there was a plea agreement here  
14 that ended up dismissing some of the charges in the indictment.  
15 Well, the indictment is just the way of getting the case going.  
16 It doesn't establish guilt or even raise a suspicion of guilt.

17 Now, it's also true that in our federal sentencing system I  
18 am able to -- in fact, I'm required to look more broadly at the  
19 defendant's criminal conduct more than just the charge that's  
20 articulated in the information or in the plea agreement. So I  
21 can look more broadly at the criminal conduct here, and I'm not  
22 restricted just to the possession of child pornography. So just  
23 because there was a plea agreement that resulted in conviction  
24 on only one count doesn't mean that I don't look more broadly at  
25 the conduct here in this case.

1           Now, about the plea agreement itself. There are many  
2 people who were upset by the plea agreement and suggested that I  
3 shouldn't accept it. Well, as the judge, I have very limited  
4 authority to reject the plea agreement because fundamentally the  
5 decision about what charges to pursue are for the U.S. Attorney  
6 to decide. So it's not really up to me to decide what charges  
7 are pursued, so that's not a question for me. As I said, I  
8 still get to look more broadly at the criminal conduct, so it's  
9 not like the other conduct doesn't matter. And I'll also make  
10 this observation, and that is that I don't see anything  
11 inappropriate about the plea agreement. I don't think that it  
12 diminishes this case at all, and I think the fullness of the  
13 sentencing hearing will bear that out.

14           So with those preliminary comments about how we got here,  
15 I'll then turn to what we're going to do today. The first thing  
16 that we are likely to do is to analyze the guidelines. The  
17 federal sentencing system has a set of guidelines that recommend  
18 a certain kind of sentence. Those guidelines are advisory. I  
19 have to consider them, but I don't have to follow them strictly,  
20 but I am obligated to begin by correctly calculating what those  
21 guidelines are. It will seem like kind of a technical exercise,  
22 I think, but it's an important part of the process that we'll  
23 have to work through. After that I'll hear arguments of counsel  
24 and any other evidence they expect to present to me, and we'll  
25 have a little bit of a back-and-forth between me and counsel,

1 and the defendant will have the opportunity to speak, and then I  
2 will probably take a recess after I have all that information  
3 before me, and all the information that I have already, I'll  
4 take a recess and deliberate on the sentence a little bit. Then  
5 I'll come back and announce what the sentence will be. So  
6 that's our agenda for the day and some background of what we are  
7 about to do.

8 Let me begin, as I always do, by highlighting or going  
9 through an inventory of the materials I've reviewed to make sure  
10 that I didn't miss anything. And before I do that, I'll note  
11 that Mariah Stieve is in the courtroom with us. She's the  
12 probation officer who prepared the presentence report and the  
13 revised versions of it as well.

14 So I begin with the presentence report, which exists really  
15 in three versions. I've got the original and two revised  
16 versions. I've got the addenda to the presentence report, which  
17 explains the revisions that were made and the response to the  
18 objections from Ms. Stieve and the probation office. I have the  
19 defendant's objections and the government's objections. I'll  
20 cite the docket numbers. I think I've covered them all, but  
21 from the defendant I have docket 113, 125, 126, 152, 161. I  
22 have the government's objections in docket 112, 123, 127. And  
23 then I have sentencing memoranda from the government and from  
24 the defense, really two of them from each, and then I have the  
25 defendant's written allocution. As I said, I have letters from

1 many people. I have the letter from the former Mrs. Peggs, I  
2 have the letter from the victim, and then I also have -- I  
3 should say the letter from the victim's mother, and then I have  
4 the many letters from members of the public who wrote to me.  
5 And I also have a set of letters that were written on behalf of  
6 Mr. Peggs. So let me thank all of you who took the time to  
7 write to me and give me that input. I appreciate having that.

8 I don't know if there's anything that I have missed in the  
9 inventory. I think I have looked at everything at least once,  
10 sometimes more than once, but let's find out if there's anything  
11 that the government thinks I have missed.

12 MS. PFLUGER: I didn't hear you mention -- it was  
13 docket 170. It was an exhibit that I filed.

14 THE COURT: That was among the late-breaking things  
15 this morning, and then you offered a correction in your  
16 paraphrasing.

17 MS. PFLUGER: That was yesterday, yeah.

18 THE COURT: I did see that, yes.

19 Mr. Bugni?

20 MR. BUGNI: I also filed one late last night.

21 THE COURT: I didn't see it. I'm sorry. I did go to  
22 sleep, and I didn't see it until this morning. So my apologies  
23 for sleeping on the job, but I did see it this morning. All  
24 right. I think that covers everything.

25 All right. Mr. Peggs, I have many objections that have

1       been communicated to me. We will address them, but let me ask  
2       are there any other concerns you have about the presentence  
3       report that have not been communicated to me?

4               THE DEFENDANT: I don't believe so, Your Honor.

5               THE COURT: All right. Very good. All right. So let  
6       me -- I've got a couple of issues with the presentence report  
7       that I know I will have to address, so let me just run down my  
8       inventory. I have a couple of rulings that affect the guideline  
9       that we'll have to address, but let me just start with some  
10      clarifications that I know I will have to make.

11              I believe the parties stipulated that there should be an  
12      amendment to paragraph 29 in the presentence report and that  
13      there were two additional hotel receipts for the AmeriVu in Rice  
14      Lake on October 30th, 2015, and November 30th, 2015, and I don't  
15      think we managed to pick those up in the second revised  
16      presentence report.

17              The phrase "as a principal" was -- I had a request from the  
18      defense to delete the phrase "as a principal" from paragraph 28.  
19      I will grant that request, and I will have the phrase "as a  
20      principal" deleted.

21              I will note then that Ms. Stieve and I discussed the  
22      objections to paragraph 49 and 50 that relate to the child  
23      pornography that was found on the hard drive that contained all  
24      the music files, and I believe the parties are in agreement that  
25      there is not evidence that those were knowingly possessed, that

1       they were residual from some earlier phase of the -- on that  
2       hard drive, and so I have -- I don't want to delete the entire  
3       reference to that because that is the factual basis for the --  
4       Count 4 in the indictment, so I just want to have an explanation  
5       for where that came from, but I agree that we will delete the  
6       descriptions of the videos because the actual content of the  
7       videos is no longer a reference. So paragraph 49 will be  
8       amended to delete the description of the videos. Paragraph 50  
9       will be amended to delete the paraphrase or description of  
10      videos as well.

11             I think paragraph 51, the defense has asked for a finding  
12      that the defendant did not access the victim's high school  
13      records. I think there is a comment already in there.

14             Is that adequate to address your concern?

15             MR. BUGNI: I mean, there's a difference between us  
16      denying it and the case agent actually went and looked and was  
17      able to substantiate that he never looked at it. So I'd prefer  
18      that you just take it all out, but I'm not looking to wordsmith  
19      today.

20             THE COURT: The reason I didn't want to take it out is  
21      I think it is an accurate paraphrase of a statement of the  
22      victim. It actually is -- the statement itself is ambiguous as  
23      to whether there actually was a searching of the school records.  
24      It says "looked up the school records" or something like that,  
25      and so I do -- I am willing to make the finding that there is no



1 evidence that the defendant was able to look up her school  
2 records, so I'm comfortable with that. So we'll amend that  
3 comment to reflect that.

4 I think that covers the factual clarifications that need to  
5 be made from the second amended presentence report. We still  
6 have the -- and, of course, the guidelines are affected by the  
7 removal of the music hard drive child pornography, so I'm  
8 sustaining that objection to the guideline calculation. So the  
9 four levels for that pornography is removed from the guideline  
10 calculation.

11 That just leaves the guideline issue related to the  
12 application of the cross-reference, which we'll get to in a  
13 moment. But first I want to make sure that all the factual  
14 clarifications have been adequately reflected in the presentence  
15 report with my additions here this afternoon.

16 Ms. Pfluger, is the government satisfied with the factual  
17 corrections?

18 MS. PFLUGER: Yes, Your Honor.

19 THE COURT: Mr. Bugni?

20 MR. BUGNI: Yes, Your Honor, with just one caveat. I  
21 had filed in 161, the omnibus, kind of synthesizing everything  
22 so --

23 THE COURT: Yes.

24 MR. BUGNI: I just want to make sure -- I take it from  
25 the fact that you went through so thoroughly that you

1 actually -- you read both sides, so you see, like -- I'm not  
2 going to ask you to wordsmith. You saw, like, here is our  
3 evidence, and you understand that there's another side to many  
4 of these allegations.

5 THE COURT: Yes. And so I went through, and I picked  
6 up the ones that I felt that you were really asking for a ruling  
7 on, and I addressed those this morning. The other ones I went  
8 back and reviewed them and looked at both sides' stories, and so  
9 I understand your position.

10 MR. BUGNI: Thank you. I just wanted to --

11 THE COURT: But I want to make sure that the document  
12 is good.

13 MR. BUGNI: The document is good.

14 THE COURT: All right. Then let's discuss the  
15 cross-reference. I got a lot of submissions on the application  
16 of the cross-reference. I don't know that I need to hear  
17 anything more, but I'll give you a last chance. It has a  
18 dramatic impact on the guidelines. So is there -- could there  
19 be anything else to say about the application of the  
20 cross-reference?

21 Mr. Bugni, it's your objection, so I'll start with you.

22 MR. BUGNI: Your Honor, when you look at the word  
23 "caused" and "for the purpose," those are the twin demands of  
24 the cross-reference, and here the causing is not done by Peggs.  
25 Peggs is not, like, an indispensable force. If it's not for

1 him, it will be the other people in the room. It's being caused  
2 by Ragon. But also there's a deeper level of "for the purpose,"  
3 and as I tried to come up with what is the better example, if it  
4 were Ragon said, you know, "Peggs, I need you to wear a pink  
5 headband to have sex with KV1," or, "I need you to take her out  
6 to dinner," you wouldn't say that he took her out to dinner for  
7 the purpose of engaging in sexually explicit conduct or --  
8 sorry, he didn't engage in sexually explicit conduct for the  
9 purpose of taking her out to dinner or he didn't wear a pink  
10 headband for the purpose of, you know, doing that. It's that  
11 it's ancillary to it, and this does have a huge effect on the  
12 guidelines and where it starts. I know the Court can discount  
13 and 3553(a), but it does go to the core of this, was that his  
14 purpose in doing this.

15 And I cite to case law that it has to be a dominant  
16 purpose. It's not just like the smallest purpose that, yeah, he  
17 did hold a camera, he did communicate about that. We all agree  
18 on those facts. It's whether or not he walked into that sexual  
19 encounter and said, you know, "I'm doing it so I can videotape,"  
20 or is he saying, "I'll videotape so I can have sex with you."  
21 That's a big difference, and to the extent --

22 THE COURT: I understand.

23 MR. BUGNI: Sorry.

24 THE COURT: I just said I understand the distinction,  
25 yes.

1 MR. BUGNI: And to the extent that that is there, Your  
2 Honor, and there's any ambiguity as to what his purpose was in  
3 that, not only with the cause but with the purpose, then, Your  
4 Honor, it's not an applicable guideline reference. It just  
5 doesn't capture the heart of what we're trying to get when we  
6 look at people who produce child pornography.

7 THE COURT: Ms. Pfluger?

8 MS. PFLUGER: I believe my sentencing memo adequately  
9 addresses it, but I would like to point out that "cause" isn't  
10 the only verb. It's also permit -- the defendant permitted the  
11 minor to engage in sexually explicit conduct -- he transported  
12 her, and he caused her. Yes, Ragon also caused her, but there  
13 can be more than one person who causes, and while he didn't walk  
14 in with the purpose to produce a visual depiction, to videotape  
15 it, he certainly jumped in full force. He was all in favor of  
16 this, and as the evidence showed, he was a participant in it.  
17 There was no, as the defense puts it, you know, he had to in  
18 order to have sex with her. He didn't have to do anything.  
19 Ragon wasn't in the room, and he was communicating directly with  
20 the victim. He could arrange things directly with her. He  
21 could have caught Ragon out, but he didn't because he enjoyed  
22 it, and it was one of his purposes. And we'll get more into  
23 this I'm sure with the argument but --

24 THE COURT: Yes. Honestly, I don't even think this one  
25 is a close call. I think that this is -- if I look at the facts

1 here, that what we have is we have Mr. Peggs coordinating  
2 explicitly with Mr. Ragon, who I agree is definitely a cause of  
3 the sexual activity and for the purpose of making the video, but  
4 he is not the only one. Mr. Peggs cooperated and followed  
5 Mr. Ragon's instructions but eagerly embraced it, communicated  
6 that he liked being behind the camera. He set up the sexual  
7 encounters with other men. And I take your point that maybe his  
8 primary interest was really in having sex with the victim, but  
9 pornographers often do what they do partly because they enjoy  
10 having sex with the victim, but this was so consciously and  
11 premeditatedly established to be live streamed to Mr. Ragon that  
12 I think this is not even a close call that the cross-reference  
13 applies here. And I think particularly in light of the fact  
14 that Mr. Peggs actually made some of the recordings, albeit  
15 using the victim's cell phone, I think just really takes this  
16 really beyond the realm of reasonable debate. I think the  
17 cross-reference plainly applies here, so that objection is  
18 overruled.

19 I think with that then, I think we are, in light of my  
20 ruling anyway, I think we are in alignment on the guidelines.  
21 So let me just confirm that in light of my ruling then, we are  
22 in agreement that the guideline will be a total offense level of  
23 33 with a criminal history category of I, which would mean that  
24 the guideline imprisonment range would be 135 to 168 months.  
25 However, in light of the statutory maximum term of ten years,

1       that becomes the guideline, 120 months.

2             Ms. Pfluger, are you in agreement with that?

3             MS. PFLUGER: Yes.

4             THE COURT: Mr. Bugni?

5             MR. BUGNI: Yes, Your Honor.

6             THE COURT: Okay. That's where we take it. Also, for  
7 purposes of comparison and analysis, I commonly in child  
8 pornography cases depart downward for two levels because there's  
9 an enhancement for use of the computer. I'm open to input on  
10 whether I should consider that here because in child pornography  
11 offenses in this day and age, it's almost inevitable that a  
12 computer is used so that that enhancement isn't really  
13 appropriate because it's basically part of the offense. This  
14 situation is a little different, so I'm not sure that that  
15 departure would be warranted. If I did apply it, the offense  
16 level would be 31, and the guideline range would be 108 to 135  
17 months, just for a point of comparison. I'll take input during  
18 argument about whether I should follow my usual approach in this  
19 case. So that's where the guidelines take us. So the  
20 guidelines are, strictly calculated and applied, at the  
21 statutory maximum of 120 months.

22             And with that, we can turn to the argument. Ms. Pfluger?

23             MS. PFLUGER: Yes, Your Honor. I just had a matter to  
24 bring up. I don't know if there's any press here, and I also  
25 know this is being streamed to another room.

1 THE COURT: Yes.

2 MS. PFLUGER: The victim is here. She is planning on  
3 making a statement. She requests that her name not be used at  
4 all. She also requests, and I don't know if there's any sketch  
5 artist, but that a sketch of her not be made. She --

6 THE COURT: I think I see the sketch artist, and I know  
7 that I see press in the room too. So I will ask the press not  
8 to reveal the victim's name, and I will ask the sketch artist to  
9 not depict her so that you could see her face. Okay?

10 MS. PFLUGER: Thank you.

11 THE COURT: All right.

12 MS. PFLUGER: And the victim would like to make a  
13 statement after we've finished argument.

14 THE COURT: I will let you decide when the victim can  
15 talk.

16 MS. PFLUGER: Okay. Thank you.

17 As my sentencing memo described, the defense and the  
18 government have vastly different views of this case. The  
19 defense would make this about a cheating husband, and if that's  
20 what it was about, we wouldn't be here. I'm sure that's why his  
21 ex-wife is really mad. I'm sure that's why some people in the  
22 town are really mad, but that is not why the government  
23 prosecuted him. That is not a crime.

24 And the defense's sentencing memo really detailed the  
25 trauma the victim had suffered, which, by the way, the victim

1 has asked now, and I don't know if it's possible, if both the --  
2 if the defense's sentencing memo -- and if it happens for  
3 defense, I think it should happen for prosecution too -- if that  
4 could be sealed because it details so much of her life that  
5 isn't even necessarily accurate but it's very disturbing for  
6 her, so that we can talk about sealing those perhaps?

7 THE COURT: Okay. I'd be willing to entertain that at  
8 least. I'd hear from both sides on it, but yes.

9 MS. PFLUGER: Okay. But it's not about any trauma she  
10 suffered before she met Bryan Ragon or Dan Peggs. Yes, she was  
11 vulnerable, and no one disputes that, and that made her an easy  
12 target, but to call her a prostitute? She was -- you know, in  
13 the time before she met Dan Peggs and Bryan Ragon, she was 14,  
14 15, and 16. There is no such thing as a 14-year-old prostitute.  
15 There's a victim who is being trafficked by an older man, which  
16 is what happened to her. She was a child. And the defense  
17 points out, you know, she started making videos before she met  
18 him. She was being exploited before she met him, and that  
19 continued. What happened after she, you know, she met Dan Peggs  
20 and Bryan Ragon also isn't particularly relevant, so I'm going  
21 to focus on what happened during the time she knew Dan Peggs.  
22 And like I said, the only reason her past is relevant is because  
23 it shows how vulnerable she was, and Dan Peggs, a man trained in  
24 child development, a man who was on his way to get his Ph.D. and  
25 was trusted with protecting children, he knew that, he saw that,



1 and he furthered the exploitation.

2 The sentencing memo talks a lot about what Dan Peggs didn't  
3 do, and as the Court pointed out, rightly so, we are no longer  
4 pursuing the possession of child pornography on the hard drive  
5 that was found. We just -- after looking at it, it became  
6 pretty apparent he got that from someone else, and he likely  
7 didn't know the child pornography was on there. But what he did  
8 do, if -- the defense's sentencing memo goes through three  
9 different things that it claims, and so I'm going to kind of  
10 talk about each of those.

11 And the first is he says Dan Peggs did not traffic Jane  
12 Doe. He admits that Bryan Ragon did. He says Bryan Ragon is a  
13 trafficker, but he says that the government no longer contends  
14 that trafficking happened. That's not correct at all. While we  
15 didn't pursue that charge to trial, we do not concede that that  
16 didn't happen. It did happen, and the evidence shows it. But  
17 the Court has seen enough human trafficking trials here to know  
18 this is not a typical trial, right, that you would see a lot of  
19 victims and the kind of physical abuse that happens. That  
20 didn't happen here, but trafficking happened. Dan Peggs  
21 solicited men to have sex with a minor, and he took the money.  
22 And whether it happened once or multiple times isn't clear, but  
23 it doesn't matter. We know it happened once. Him and Bryan  
24 Ragon coordinated to find men to come to a hotel room to have  
25 group sex with the victim, and he took money. But even if there

1 was no money taken by Dan Peggs, the benefit, which is required  
2 in trafficking, you get a benefit, is the sexual satisfaction he  
3 was getting. At the very least, he was aiding and abetting the  
4 trafficking by Bryan Ragon, but we can show he did traffic her.

5 As Exhibit A shows that I filed yesterday, there's a chat  
6 between Bryan Ragon and Dan Peggs directly, because they have  
7 now caught out the victim, and Dan Peggs says, "I'll get the  
8 room." And then on October 28th, 2015, at 10:46 a.m. he said to  
9 Bryan Ragon, "Can you please see if any of the other guys can  
10 pitch in for the hotel room? I'll book it." He's asking for  
11 money, and that satisfies the element of sex trafficking. And  
12 then there's a video that was referenced in my sentencing memo  
13 where you see the guy leave money, and at first the victim  
14 thinks it's for her, and, you know, she talks to Ragon like,  
15 "Wow. This guy left money," but then Peggs knocks and comes  
16 back in and said, "Hey, forgot my money." That's sex  
17 trafficking. The government does not concede that she was not  
18 trafficked. We did not pursue that to trial.

19 And, again, the claim that, you know, Dan Peggs told her  
20 not to prostitute, that may be true, but that doesn't mean he  
21 didn't traffic her. Often traffickers tell their victims, "You  
22 shouldn't accept money for this," because they want the benefit,  
23 whatever that benefit is. It doesn't matter if he discouraged  
24 prostitution. It doesn't matter if he didn't know the federal  
25 definition of sex trafficking so he didn't think he trafficked

1 her. It doesn't even matter if she knew and she didn't think  
2 she was trafficked. The elements are satisfied, so the  
3 government strongly contests the defense's first statement that  
4 Peggs didn't traffic Doe.

5 The second point that the defense says is that Dan Peggs  
6 didn't know Jane Doe's age until February 12th, 2015, and he  
7 says it was on that date at the Wisconsin Dells at a hotel room.  
8 He was at some kind of educational training seminar that he had  
9 invited her to. And the defense says in their sentencing memo  
10 this is just a "he said, she said" and you have to either just  
11 trust her or trust him. That's not correct. First of all, he  
12 met her through a Craigslist ad, okay, that said something to  
13 the effect of "younger slut" that said she was -- if any age, it  
14 said 18 or 19. She looked very young, okay? So this isn't  
15 going to that he didn't know, but he should have known. You saw  
16 pictures of her, and you also saw the many men who commented  
17 when they walked in the room -- we have it on video -- "Are you  
18 in high school? Your posting says you're 18. Are you sure?"  
19 Because it's very obvious by looking at her she's a minor.

20 And -- so Dan Peggs met her, and on October 30th, 2015, he  
21 tells her he thinks she's a minor. You see him in a hotel room  
22 with her. He walks out, and the victim says to Bryan Ragon,  
23 "Hey, he's accusing me of being under 18." Okay. So he didn't  
24 know, but he strongly suspected. And Ragon responds, "Well, I  
25 didn't tell anybody about your age," not those exact words but

1 something to that effect. But that wasn't enough. Even though  
2 he suspected, he kept having sex with her. And she did say she  
3 was 19, and she did digitally alter her ID. She never possessed  
4 a fake ID she showed people. She did digitally alter her fake  
5 ID, which, as you saw, there were men that even questioned that  
6 saying, "Not sure about that." But she also consistently said  
7 she told him, and she has never faltered on this, she told him  
8 she was a minor. She doesn't know the date. You know, this  
9 was, by the time she reported, five years later, but what she  
10 does know and what she never falters on is she told him, and  
11 they continued -- he continued to sexually exploit her, and she  
12 was a minor. Okay?

13 The sentencing memo says that, well, Ragon learned that she  
14 was a minor in December 2015. That's incorrect. At the very  
15 latest there's a conversation November 20th, 2015, where Ragon  
16 is talking to Jane Doe about, "Hey, this guy found your high  
17 school yearbook. What should we do?" But even in this  
18 conversation on October 30th, you know, where Peggs has stepped  
19 out of the room, he's saying, "I didn't tell anybody about your  
20 age." So when he learned exactly, at the very latest November  
21 20th. It's not as the defense claimed he learned in December.

22 And defense talks a lot about Ragon's proffer and how this  
23 supports his version of the case. Actually, what Ragon said is  
24 that Jane Doe told him on the second date, "Hey, he knows my  
25 age. He looked me up in his school system." Look, whether he

1 looked her up in the school system or not, I don't know, but  
2 what I do know is Ragon says she says he knows my age on the  
3 second date. Date, bad word. Second encounter.

4 There's also some hinting that perhaps she's older than she  
5 really is because she's adopted. Look, this is -- I don't  
6 know how to -- look, she is what she is. Here's when she has  
7 her driver's license. Here's when she can vote. Here's when  
8 she can buy alcohol. That's her age. I mean, I looked at her  
9 adoption record. No one is going to say she's -- no one can  
10 prove she's a different age than what her American birth  
11 certificate and documents say.

12 And the thing here is that Jane Doe, she doesn't have a  
13 reason here to make up that she told him her age. She's not out  
14 to get him. You saw in defense's sentencing memo and in the  
15 discovery she considered him a friend. This was her mentor, her  
16 confidant. She has nothing to gain by saying she told him her  
17 age, and Bryan Ragon has nothing to gain by saying, "Hey, she  
18 told me." And it's not, like the defense puts in their  
19 sentencing memo, she drops this bombshell and then she keeps  
20 dropping it again and, you know, try to say she's not credible.  
21 It wasn't a bombshell to him. He suspected it right on. He  
22 said, "Hey, I think you're" -- we don't see him saying it, but  
23 you see her saying, "He thinks I'm under 18." It's not  
24 bombshell after bombshell. What she says is, "You know I'm the  
25 age of your students," and she consistently reports this. She

1 doesn't know when she said it. She remembers a time at the  
2 AmeriVu, which was very early on, where they had a conversation.  
3 She says to him -- she reports she says to him, "I'm literally  
4 in high school right now," and he says, "Well, I'm literally a  
5 principal in high school right now." Defense points to a chat  
6 and says that's not what the chat says. That's not what she's  
7 referring to. He's saying this chat is her telling him she's a  
8 minor. That's not what she's referring to.

9 THE COURT: She's referring to another conversation?

10 MS. PFLUGER: Yes.

11 THE COURT: The chat is a little ambiguous.

12 MS. PFLUGER: Yeah, yeah. The chat is ambiguous.

13 Look, we -- here's the thing about this case, like, we have what  
14 we have. We showed you, right? We don't have a lot, all right?  
15 We didn't get any of his electronics. From her electronics, we  
16 got a lot of things from deleted space or she had to, like, try  
17 to recover things, and then after Jane Doe stopped, for the most  
18 part, stopped communicating with Bryan Ragon in January, we have  
19 nothing because most of what we had was recovered from Ragon's  
20 information. So when she cuts him out and it's just Peggs and  
21 her, we have what she says, but what she says is consistent and  
22 corroborated.

23 She -- the defense says in their sentencing memo that she  
24 says, oh, yeah, she told him at a casino, and that's the big  
25 thing in February. That's not what she said. What she said was

1       when they went to the casino, she said, "Hey, I can't get in  
2       here," and he said, "Be quiet. Don't worry about it." She  
3       didn't say, "That was the one and only time I told him my age,"  
4       and she never said, like, "I told him repeatedly, 'Hey, I'm 17.  
5       Hey, I'm 17.'" She said there were several instances. It  
6       wasn't this huge bombshell, like, "Hey, guess what? I'm 17."  
7       It just would come up in conversation, like, "Hey, you know  
8       I'm -- hey, I'm the same age as your students." So it wasn't  
9       like bombshell after bombshell. It was just course of their  
10      relationship. Do I know the date? No. But the victim has  
11      consistently said after she told him, the exploitation  
12      continued.

13             The third thing that defense claims is that Peggs didn't  
14      have any interest in producing images and that Ragon was the  
15      driving force between -- behind recording. Well, Ragon was a  
16      force, but so was Dan Peggs, right? Dan Peggs didn't walk in to  
17      meet her and say, "I want to record this." What he did, and you  
18      saw the transcript -- or the summary of the video, you see him  
19      walk into the hotel room the very first time he meets her. She  
20      says, "I have something I have to tell you."

21             "What?"

22             "Well, there's this guy on the phone, and you've been  
23      communicating with him, not me, and he's watching."

24             And his response was, "That's awesome." Like -- I can look  
25      at the exact words, but it was --

1 THE COURT: I think that was the phrase as it was  
2 transcribed.

3 MS. PFLUGER: I think it's, "That's awesome," right?  
4 It wasn't like, "Oh, my gosh. Wait. Someone's watching?  
5 There's a video?" It was, "That's awesome."

6 But even before then, you know, Peggs -- he says he was  
7 forced to take these pictures. He didn't want to. He just  
8 wanted to have sex with the minor. He didn't want to take the  
9 pictures. There's texts from before the minor even meets him  
10 where Ragon says, "Jake demanded you go to the bathroom and take  
11 a picture of your fine ass pants down because he needed to get  
12 hard again." She says she can't because her phone is broke, and  
13 Ragon communicates, "Jake really wants it." This is before she  
14 even meets him.

15 Then you can see from the videos that we have recovered  
16 he's in charge of the camera. He's holding the camera. He's  
17 manipulating it. When it's just him and her, you know, he zooms  
18 in on the sex acts. When it's her with other men, he gets good  
19 shots. He says, "Hey, Bryan, are you there?" He tells Ragon,  
20 and this is in Exhibit A also, he likes being behind the camera,  
21 and my sentencing memo, you know, has the exact descriptions of  
22 the videos where it's very clear that, like, he's into this.  
23 And if he didn't want to do this, he was now in direct contact  
24 with the victim. They did cut Ragon out. This wasn't like,  
25 "Oh, my gosh. I so need to have sex with her I better do this."



1 This is what him and Ragon did together.

2 And you can also see in Exhibit A where Peggs says, "I like  
3 being behind the camera." Ragon isn't saying, "You better take  
4 images." Ragon says, "Hey, while you're out, if you want to  
5 take some images, you know, that would be good." And he says,  
6 "Yeah, I like being behind the camera." It wasn't like, "Do  
7 this or you can't have sex with her."

8 THE COURT: Well, I thought it really was a condition.  
9 Ragon expresses dismay that there were sexual liaisons between  
10 the victim and Peggs and that they weren't recorded and shared  
11 with Ragon.

12 MS. PFLUGER: He wants that, but it is not a condition,  
13 right? I mean, Ragon wants -- he wants -- he's a voyeur. He  
14 wants to watch.

15 THE COURT: There's the conversation between the victim  
16 and Ragon where she paraphrases back to him that you're treating  
17 me like a toy and I can be played with as long as it's video  
18 recorded and sent back to you, and if we don't make the videos,  
19 he's not allowed to play with it anymore.

20 MS. PFLUGER: But then Peggs and the victim cut Ragon  
21 out. Then what's --

22 THE COURT: Well, I think that's what prompts this  
23 discussion about the requirement, Ragon's requirement that the  
24 videos be made.

25 MS. PFLUGER: Well, I can tell you in Exhibit A, he

1       said -- what Ragon says is, "I'm only going to be able to be on  
2       Skype," so -- and then he says, "I'm just going to be able to be  
3       on Skype watching at the hotel," and then he says, "But you can  
4       take some video of anything else while you're out if you want."  
5       It's not like, "You better take video." And Peggs' response is,  
6       "Great deal. I like being behind the camera." There's no,  
7       like, "You must do this." He says, "Hey, you can do it if you  
8       want." I mean, he wanted to be on Skype, yes, but there was no,  
9       like, "If you don't do this, you don't have sex with her." And  
10       Peggs says, "Good deal. I like doing that." So I'm not  
11       insinuating that Ragon didn't want video or didn't want to be  
12       watching, but I'm also stating that Peggs enjoyed it, he  
13       participated in it, and he was able to cut Ragon out and  
14       continue the exploitation of the minor without Ragon.

15       The other thing, when Peggs says, you know, "This is  
16       something I had to do. I wasn't interested in images at all,"  
17       he had a history of asking other women for images. He asked the  
18       victim for images when she got back from North Carolina. On  
19       January 10th, 2016, he said, "Hey, do you have any pictures of  
20       you and Bryan?" He wants images. He liked -- he said to other  
21       women he masturbated to the images. He asks her for images, and  
22       when she says, "No, no. I don't have any of me and Bryan" --  
23       she just sent a picture of her a little bit revealing, like her  
24       shirt was off her shoulder -- and then he said, "No, I want  
25       more." And she said, "You want more or you demand more?" He

1       said, "I demand more," and she sent him child pornography, and  
2       he's interested in images. And there are also times when the  
3       victim is talking to Ragon, and he says -- Ragon says, "You  
4       know, I didn't get those videos from the other night," and the  
5       victim says, "Well, I don't know when he was recording or what  
6       he was recording." So she's not a part of this. It's between  
7       him and Ragon.

8               Those are the three main points that the defense focuses on  
9       in their sentencing memo. The other things I want to focus on  
10      are just the defendant's lack of responsibility, his complete  
11      denial of anything that he doesn't have to admit to. And, for  
12      example, in the sentencing memo, you know, he says he either had  
13      to have group sex or produce images to have sex with the victim,  
14      and that's not accurate, and he wasn't forced to have group sex.  
15      I'm not bringing up his sexual life to humiliate him, only to  
16      show he's not taking responsibility. He says with the victim,  
17      you know, "Ragon forced me to have group sex." It's clear from  
18      the videos and from the texts he's recruiting as well as --  
19      yeah, Ragon is recruiting, but Peggs is recruiting too. And  
20      other women who were interviewed stated that Peggs was heavily  
21      into the swinger scene and reported having group sex with him  
22      completely outside of this victim. So to make it seem like,  
23      well, you know, Ragon forced me to invite all these other people  
24      is just not accurate, and it's an example of him not taking  
25      responsibility.

1           The other thing that he says, which, again, is a  
2       diminishment of the crime he committed, is, you know, the most  
3       he ever met her was seven times. Well, the reason he's saying  
4       that is because he can't deny those seven times. We have the  
5       hotel receipts. But there is circumstantial evidence that he  
6       met her far more times, not to even mention she says they met  
7       much more often. She says from the very beginning, "He was  
8       my -- I saw him constantly." They were in constant  
9       communication. So we have the seven times when he can't deny  
10      it, and then we have images recovered from the deleted space of  
11      the victim's computer. It's the images that start with the  
12      dollar sign and the RO. The case agent looked at those and  
13      said, "Those look like Peggs." He can't confirm because he  
14      can't see the face, but those are very consistent with Peggs.  
15      That's very consistent with the victim. And this is a time  
16      aside from the seven we already have.

17           There was also a text between Ragon and the victim November  
18      20th, 2018, where Ragon tells the victim, "Hey, Peggs wants to  
19      know where he should go because he can't get a hotel room  
20      tonight." There's rooms booked in a lot of other men's names,  
21      and there's no denying group sex was going on. So to say the  
22      absence of other hotel records means they never had sex any  
23      other time just isn't accurate. There are indications that they  
24      met more. There are indications that group sex happened and  
25      different people rented the hotel rooms and that it was more

1       than just the seven times, and this is just another attempt of  
2       his to just diminish his conduct to the very least he has to  
3       admit to.

4               Peggs says that the only criminal liability in this case  
5       comes from the accident of the victim's age. That's from his  
6       sentencing memo. And defense says that the Court should  
7       consider Peggs' mindset when punishing him, and usually the  
8       Court punishes defendants for a mindset that's flouting the law.  
9       And then the defense does say, "Well, it's true there are some  
10      strict liability, but the crime here is just sex with a  
11      17-year-old, and that would be a misdemeanor." That's not  
12      accurate. This is production of child pornography, which is  
13      strict liability. That's not what he pled to, but it's what he  
14      did, and the evidence shows it. That is strict liability. You  
15      don't get a pass for making a mistake. The evidence shows he  
16      didn't make a mistake, but if he did, you don't get a pass for  
17      that. Sex trafficking, you don't get a pass for that. That's  
18      reasonable opportunity to observe, and he did that. So this  
19      isn't comparable to a misdemeanor of just having sex with a  
20      17-year-old. This is comparable to production of child  
21      pornography and sex trafficking.

22              And defense also mentions that there's 60 to 80 other men  
23      that, you know, Ragon arranged for the victim to have sex with  
24      when she was a minor, and these men didn't get criminally  
25      charged. Most of these men are not identified. These men did

1 not communicate with Ragon. They did not collaborate. They did  
2 not set up group sex. They didn't film it. The government's  
3 not condoning anything that these men did, but they are not in  
4 the same position as Daniel Peggs.

5 THE COURT: There was one or two, I believe, that it  
6 seemed pretty clear that they were trafficking her.

7 MS. PFLUGER: I will get to those. So there are four  
8 key players in the government's view: One was Dan Peggs; one  
9 was Ragon, who's already been sentenced; one was a man from Rice  
10 Lake, who the government had been looking into, and I can show  
11 you this news article that he committed suicide, so we can no  
12 longer look into him; and another is a man from Minnesota who  
13 the government has referred the case to Minnesota, and what they  
14 are doing I can't direct. But it's not as if we just gave a  
15 full pass. We are doing what we can do to hold those  
16 accountable who should be held accountable. Now, look, 60 or 80  
17 men who had sex with the victim once or twice, should they face  
18 something? Yeah, they should, but they are nowhere near in the  
19 same seat as Dan Peggs.

20 The things that the Court is supposed to -- that the law  
21 says that the Court should consider in sentencing is, first, you  
22 know, the nature and circumstance of the offense, and Dan Peggs  
23 met the victim when she was very, very vulnerable, and no one  
24 disputes that. She had mental health issues, depression,  
25 anxiety, and there is no doubt that Bryan Ragon is sick and

1 twisted and got what he deserved. He met her September 26,  
2 2015, had sex with her a week later, and by October 14th, 2015,  
3 he had her on Craigslist. He was a voyeur. He liked watching.  
4 And then by October 22nd, Jake, Dan Peggs, was involved. And he  
5 started just like a lot of the other guys, a guy she had sex  
6 with, but like I said, when she met him in the hotel for the  
7 first time, she said, "I have a confession. Someone is watching  
8 on Skype." He says, "That's awesome," and from there him and  
9 Ragon are co-conspirators and co-collaborators. The victim says  
10 that she saw Peggs constantly, and it's clear that Peggs and  
11 Ragon communicated.

12 The victim stated that she saw Peggs as a friend. You  
13 know, it's not what I would call a friend, a man twice her age  
14 who is arranging for himself and others to have sex with her and  
15 film it for his sexual perversion and Ragon's sexual perversion.  
16 But she's a vulnerable 17-year-old, and she trusted him, and  
17 like all the letters from the community, her trust was  
18 misplaced. This isn't about a crime to the community, but it's  
19 just saying many people trusted him.

20 When she stepped away from Ragon -- so she went to North  
21 Carolina in December 2015, and the defense describes this trip  
22 as the victim engaging in extreme BDSM. The government would  
23 describe it as she was subject to degradation, physical abuse,  
24 humiliation beyond words. It was too much for her to bear, and  
25 after that, for the most part, not completely, but for the most

1 part, she cut off Ragon.

2 THE COURT: Did Mr. Peggs know what had happened with  
3 her in North Carolina?

4 MS. PFLUGER: I'm getting to that. She came back, and  
5 she says, and this report has been provided to defense, Peggs is  
6 the only person she told, the only person, that there had been  
7 bestiality, that there -- she had been forced to do unspeakable  
8 things. He's the only one she told. And what did he do? He  
9 stepped in and filled Ragon's shoes, not to the extent -- I'm  
10 not saying he practiced bestiality, but he continued her  
11 exploitation. Instead of saying, "Hey, you need help. You  
12 should, at the very least, get counseling, go to the police,  
13 something," no.

14 The defense talks a little bit in their sentencing memo  
15 about deterrence, the deterrent effect here, and that's also a  
16 factor the Court should consider. Peggs says he didn't set out  
17 to have sex with a minor, and that's true. The government  
18 doesn't allege he did. He was looking for sex with anyone.  
19 He -- I don't know if you would call it an addiction, an  
20 obsession. He has a sexual preoccupation, and that is clear  
21 from the records, from the psychosexual report. He knew about  
22 this. He had sought treatment. He had gone to Sex Addicts  
23 Anonymous. He had gone to some treatment, but he still had this  
24 fake persona and was out looking on Craigslist for ads that say  
25 "younger slut" or something to that effect, and in doing this,



1 even before having sex with a minor, he was putting everything  
2 on the line. Look, if people in his hometown knew he had a fake  
3 persona and was responding to Craigslist ads and having group  
4 sex and into all -- his career would have been over, but it  
5 wasn't enough to stop him. And when he found out the victim was  
6 a minor, that wasn't enough to stop him either. The reason that  
7 he's a danger to the community is because nothing deters him.  
8 The risks -- he didn't set out to have sex with a minor, but he  
9 did, and when he found out, it didn't bother him. And, again,  
10 not saying this to slander Mr. Peggs' name, but it's a fact  
11 that's in the reports, up until the day before he was arrested,  
12 he was still seeking women online. He was in Madison the day  
13 before he was arrested and found a woman on Exotic Escorts or  
14 some similar website, a website known for trafficking in  
15 prostitution, and had her come to his hotel. I can't say what  
16 they did, but she showed up and said, "What's your room number?"  
17 He, at that point in 2020, he now knows, "I better be careful.  
18 I've already had sex with a minor," and he's still doing it.  
19 The reason you need deterrence is because nothing else -- the  
20 reason he's a danger to the community is because nothing else  
21 has stopped him. I'm not saying he's like, "I like minors. I'm  
22 going to go have sex with a minor." He's like, "I like sex, and  
23 I will do what I want with who I want. Damn the consequences.  
24 Damn the consequences to my family, to my job, to my community,  
25 and to the victim." That is why he's a danger.

1           And the deterrence effect is so that others see this is a  
2       serious crime. You can't -- no one, okay, not a bricklayer, not  
3       a -- you can't take this chance, but a school superintendent or  
4       a school principal, you don't get the luxury of saying, "I  
5       thought she was 18." No one gets that, but especially not you  
6       and when you know better. You have been trained in this. We  
7       are not making an example out of Mr. Peggs. His conduct  
8       deserves what -- the charges he got, but it doesn't make him --  
9       it makes him more culpable because of he was educated, he was  
10      around students, he knows teenagers are vulnerable. He's aware  
11      of all this, and yet he kept doing it.

12           The final thing that the Court has to weigh is the impact  
13      on the victim, and she will speak after we finish, but I can  
14      tell you, of course, Bryan Ragon was traumatic. It was a  
15      terrible experience in her life, but it's a different  
16      experience, and she will talk about that, because Dan Peggs is  
17      here. She didn't go to college in Eau Claire because she wants  
18      to stay away from him. She's afraid of seeing him. She picked  
19      a different college. Dan Peggs has an impact on her everyday  
20      life that Bryan Ragon in North Carolina never did because he's  
21      there. Dan Peggs is part of her world, her community, and she  
22      has been aware all these years, until she was strong enough to  
23      come forward, that, "He's still teaching. He's still around  
24      girls my age," and that has had a much different impact on her  
25      than Bryan Ragon did, not at all diminishing what Bryan Ragon

1 did. What he did was terrible, but what Dan Peggs did was also  
2 illegal, wrong, terrible, and had a different kind of impact.  
3 So to say that this all -- you know, the impact on her was all  
4 cumulative and you can't attribute certain things to him and --  
5 you know, it's not true, and she will talk about because of who  
6 he is, where he lives, and his integration into her world, his  
7 conduct had a very specific impact on her.

8 The government asks you to look at all these different  
9 factors, the nature and circumstance, the protection of the  
10 public, the deterrent effect, and the history and  
11 characteristics of this man and then listen to the victim, and  
12 we are asking for a sentence of ten years, Your Honor.

13 THE COURT: Thank you.

14 All right. So to be specific about when we're going to  
15 hear from the victim, after we hear the argument and allocution,  
16 everything, at the very -- she wants the last word?

17 MS. PFLUGER: Yes.

18 THE COURT: Okay. All right. Very good.

19 Mr. Bugni?

20 MR. BUGNI: I think the last word goes to the  
21 defendant.

22 THE COURT: Let's have the victim statement before the  
23 allocution.

24 MS. PFLUGER: Okay.

25 MR. BUGNI: Normally I would just begin with just

1 asking some questions, Judge, let me know where you're at. One  
2 thing I feared in this case was that I would walk into  
3 sentencing and I would hear that, and the reason --

4 THE COURT: I think you should have known you were  
5 going to hear that.

6 MR. BUGNI: Well, I'm okay with most of that, because I  
7 embraced some of that in my sentencing memo. I know the  
8 discovery. I know every aspect of this case because we were  
9 ready to go to trial in this case, and what I heard was not the  
10 discovery, just like what I saw in the sentencing memo was not  
11 the discovery. There's a difference between the lawyer who is  
12 willing to cite everything and say, "Here is my homework. I  
13 want you to know what I know, and I want you to see what I see,"  
14 because that lawyer is sitting there and saying, "Test it. I  
15 know what I have." And what I have is different from that, and  
16 what I know is far different from that, and I'm now going to go  
17 piece by piece, and if you have questions -- but I want to make  
18 sure I get enough in there because there's a reason I showed my  
19 work in the PSR objections and in every footnote of that  
20 sentencing memo, and I want to go through it.

21 This was an extensive investigation, a quarter million  
22 pages, and it wasn't because it was so expansive and it went  
23 years and years and years. It was because KV1, or Doe, had  
24 backed up her computer. It was because we had so much  
25 information from her. It's inaccurate to say that most of this

1       came from Ragon. The four terabytes of movies came from Ragon,  
2       but we were at about 160,000 pages of discovery before Ragon  
3       decided to debrief. So we had a very good universe of the  
4       facts. They had turned over everything in Peggs's life. If  
5       there was something they could substantiate to let any of what  
6       they were throwing at him stick, they did.

7               So they went and interviewed -- whenever there was somebody  
8       who they thought they could get with another group sex, they  
9       went and found them, and I'd ask that these -- I mean, I don't  
10      know, I kind of want to actually name the names, not because I  
11      want to out anybody, but because you should know this is how  
12      much confidence we have in who they interviewed, all right?  
13      Mr. -- I'm just going to go C.R. C.R., they go and interview  
14      him, and he remembers it because he lived together with her, and  
15      he puts the group sex with Peggs as when she was an adult in  
16      2018. They go and talk to D.K. -- or D.H., and he says, "Oh,  
17      yeah. No, I remember her, but it wasn't with that guy. I have  
18      never met that guy. I don't even know who that guy is." And it  
19      went and continued all the way through everyone they  
20      interviewed.

21             So the idea that we're disingenuous or we don't know the  
22      facts or we're trying to hide the ball, this was an extensive  
23      investigation that nailed down every day and where everybody was  
24      and where Peggs was, and nobody could place him in any other  
25      event than those seven. It's not that -- fine, I'll give you

1 one more. Go to one more. Then he's there with her eight  
2 times. That's it, eight times. But we know the seven, and the  
3 reason we don't give them the eighth is because we asked to see  
4 that video and said, "Hey, can we see this video? Can we see  
5 this video? Can we see this video?" Nothing. We weren't able  
6 to see that video. And, "It looks like Peggs"? Almost all the  
7 guys look like Peggs in these videos. You can't see his face,  
8 and you don't have a date stamp, but even more so we were able  
9 to show who it was that she was with that night at the  
10 Fairfield.

11 So this isn't an idea that, like, there's somehow these 25  
12 other dates, and we're somehow hamstrung. Anytime -- all the  
13 communication with these men and with Doe is all preserved. We  
14 know who it is. In our office for about a year, we had butcher  
15 sheets of everybody because -- not because we glorified in it,  
16 but because we knew that these allegations weren't true, and so  
17 we needed to know who they were attributed with because this is  
18 such an expanse of allegations, and it's such an expansive time,  
19 60 or 80 guys over this broad period of time. Of course,  
20 there's going to be conflating of details. Things are going to  
21 get lost, and the same way that you and I or Ms. Pfluger might  
22 get lost in a case -- I don't remember when I went to trial with  
23 you in Karl McKenzie. I know it happened. I don't know when it  
24 was. I know I lost. But, like, I don't know much about those  
25 exact things because things start to separate. And that's what

1 happened here is that there were details that she was confident  
2 in that didn't pan out, and what we heard today were actually  
3 more details that don't pan out or don't rhyme with the  
4 discovery that we have and the investigation that we know so  
5 well.

6 THE COURT: If you would, I kind of feel like we're  
7 getting out into the margins of details that aren't really  
8 central to the case, because you're right, it's easy to get lost  
9 in this case because of the volume of discovery. But I get it,  
10 there may be more, there may be less numbers of meetings, but we  
11 have the seven times. We have some of them video timestamped,  
12 hotel receipts, corroborated that she was 17, and Mr. Peggs was  
13 there having sex with her.

14 MR. BUGNI: Got it.

15 THE COURT: And so if your defense is it was only seven  
16 times, I'll take your point, and we can move on from there.

17 MR. BUGNI: That's an important point though because  
18 you can't put a lot of these activities beyond those seven times  
19 then because, you know, he's so into making movies? Then why is  
20 it that the movies are all on the 23rd and the 30th of October?  
21 And then he goes and has sex with her again, and then Ragon is  
22 like, "You better make that movie. Make that movie," and he  
23 does one more time, and that's the universe of three videos. So  
24 if he's so in love with this making child pornography, why do we  
25 only have those three times, and why are they isolated and

1 exactly when Ragon says.

2 And as far as whether or not it's a condition -- this is  
3 why these things matter. Is it a condition? Page 6 of our  
4 sentencing memo, each one of those says, "Hey, there's a  
5 condition." This is from Doe. "Hey, there's a condition. Hey,  
6 there's a condition." And even Ragon himself is saying, "Look,  
7 if you want to do this, you're not going to cut me out. I'm  
8 getting what I want out of this." It is a condition.

9 THE COURT: This to me strikes me as another detail  
10 that's not really central to the case. I get that, and I asked  
11 Ms. Pfluger about it. I understand that Ragon wanted the videos  
12 as a condition of having sex with a person he regarded as his  
13 property, and Mr. Peggs said, "I'm all there for you. I'm going  
14 to set up these group sex things. I know you want more guys.  
15 We're going to do it that way, and I'm going to make the  
16 videos." It doesn't come close to a duress defense.

17 MR. BUGNI: No.

18 THE COURT: And so I get it. That was the scheme, and  
19 that's what Ragon wanted, and Mr. Peggs willingly participated  
20 in it.

21 MR. BUGNI: Yeah.

22 THE COURT: And Ragon was upset when he had sex with  
23 her and didn't videotape it, but I don't see that as really  
24 meaningfully diminishing Mr. Peggs's culpability.

25 MR. BUGNI: Well, I think the culpability is did he go



1       there with that intent that, "I want to make these videos." Is  
2       that what --

3               THE COURT: Yeah. It was planned. He was -- he and  
4       Ragon worked together to do this thing, which was to have a  
5       group sex episode videotaped and live streamed to Ragon.

6               MR. BUGNI: Okay. And to -- that he doesn't hold on to  
7       these videos, that he doesn't actually -- he seeks not to make  
8       them when he doesn't have the chance, and that there's no  
9       evidence of an otherwise interest other than what's apart from  
10      that. And what I say about that is we have one other one, S.B.,  
11      that's it, in 2018 where he's like, "Hey, you know, that was  
12      great," all right? From this expanse of into his life, that we  
13      only have those three instances and then a fourth in 2018 with  
14      an adult? That's the universe of what he's doing.

15              Now, if your question is to the harm, you know, like are we  
16      trying to punish him and deter him and keep society safe because  
17      he has such an abiding interest to make child pornography? Or  
18      is it, like, hey, did he willfully go in here and have sex with  
19      her and allow himself to be videotaped?

20              THE COURT: Well, he didn't allow himself to be  
21      videotaped. He made the videos. He controlled the camera.

22              MR. BUGNI: Sure, but it was a condition --

23              THE COURT: And I also take this point: I don't think  
24      he's a professional child pornographer. That's not what he's  
25      doing. Okay? And I get that. He didn't set out at the

1 beginning of this to say, "I'm going to make child pornography,"  
2 but he was willing to do it --

3 MR. BUGNI: He was --

4 THE COURT: -- and eager to do it when the situation  
5 presented itself.

6 MR. BUGNI: Willing and eager for someone who said she  
7 was 19, who showed him a fake ID that she was 19, who by  
8 all accounts --

9 THE COURT: Showed him a photograph of a fake ID. Ms.  
10 Pfluger, I think, did a good job of really laying out what the  
11 situation is, and I get it. I don't have a copy of a text or a  
12 video recording where she says, "I'm 17 years old," but there's  
13 a lot of circumstantial evidence that suggests that, at the bare  
14 minimum, Mr. Peggs should have known she was 17.

15 MR. BUGNI: Why? I don't understand why he should know  
16 something that -- it's a matter of six months, and he's relying  
17 upon the representations of someone who has agency and who also  
18 goes so far as to make a very good ID on her phone and who comes  
19 up with a backstory of it and gives all these other indications  
20 of, like, "Look, I'm in photography." And we ask what more he  
21 should have done? Well, he looks her up. He says, like, "Hey,"  
22 like, "is this the person?" I'm looking at it, and his Google  
23 searches are for someone who would be 19. It's a sincere belief  
24 in that regard.

25 THE COURT: That's ambiguous really. So he does the

1 search to see if she's in the class of 2015, and he can't find  
2 her.

3 MR. BUGNI: And so then -- but he doesn't do one for  
4 2016. He does 2014, both the ones that would put her at that  
5 age.

6 THE COURT: I'm looking at all of this. I will say --  
7 and Mr. Peggs has his letter where he denies this, but Mr. Peggs  
8 really doesn't come to the Court with a lot of credibility. But  
9 I have the photographs of the victim that he did receive. I  
10 have other photographs of her, and I have all the other  
11 documentation of people who did question her age because she  
12 looks extremely young. And there are red flags all over the  
13 place that she is underage. And there's the incident in which  
14 the victim herself says, "He's accusing me of being in high  
15 school."

16 MR. BUGNI: That's not what he said. He said, "I'm  
17 accusing you" -- "he's questioning my age at that moment," and  
18 then she satisfies him and says, "Here it is. Here's my fake  
19 ID."

20 THE COURT: It's conceivable, and I think that -- I  
21 often say this in court -- not that many people really lie, but  
22 people are very good at convincing themselves that what they  
23 want to believe is true. And so maybe that's what's going on  
24 with Mr. Peggs. Maybe he persuaded himself that she was 19, but  
25 that was unwise, as it turns out, but also, I think, very

1 unreasonable. I think if I look at the evidence here, it just  
2 seems to me that there are red flags all over the place and that  
3 it borders on willful blindness to believe that she was 19 years  
4 old, and the linchpin of it is the photoshopped ID, which isn't  
5 even an ID. It's just a picture. And so she never produces a  
6 card that's fake. It's just a picture. And surely Mr. Peggs is  
7 sophisticated enough to know there's such a thing as Photoshop.  
8 I think many people were suspicious because she just had a  
9 picture of it.

10 MR. BUGNI: I'm sorry --

11 THE COURT: And so I'm just -- it's just not a very  
12 compelling case that he was reasonably convinced that she was  
13 19. And then the overarching problem is it doesn't even matter  
14 because knowledge of the age of the victim is not an element of  
15 production of child pornography or sex trafficking, as Ms.  
16 Pfluger pointed out.

17 MR. BUGNI: Okay. So I'll address both then. I'll  
18 tell you, why don't we just -- I'm going to help -- I want to  
19 help you. You tell me what exactly -- other than those three  
20 things, which I'm going to address, what are the things I should  
21 focus on, because that's what I'm going to focus my remarks on.

22 THE COURT: Because I get it. There is a lack of  
23 knowledge about how many times Mr. Peggs and the victim met, but  
24 we know it was seven times, and we know what happened on those  
25 times, and we actually have video of it on the -- on the one

1 time.

2 MR. BUGNI: You have three. You have three times that  
3 they have video.

4 THE COURT: Well, again, go over the dates.

5 MR. BUGNI: Okay. So October 23rd you have video,  
6 October 30th you have video, and then December 2nd you have  
7 video.

8 THE COURT: The December 2nd I'm thinking. Those are  
9 the ones that are really described here. So we have video  
10 confirmation of those times.

11 MR. BUGNI: Right.

12 THE COURT: And so -- and then we know that Mr. Peggs  
13 continued -- after she turned 18, he continued to contact her  
14 after that, so we know that.

15 MR. BUGNI: On three occasions, yes.

16 THE COURT: Okay. And so Ms. Pfluger takes the  
17 position that there are more times based on the testimony of the  
18 victim that are not corroborated by documentary evidence, but  
19 the fact is we have enough to know that it did happen multiple  
20 times and that Mr. Peggs was arranging, in coordination with Mr.  
21 Ragon, group sex events that were videotaped. It didn't  
22 happen as many -- your position is, and I probably will not be  
23 able to determine the precise number of times, and I will  
24 probably have some doubt about whether there were more than the  
25 seven times that are documented, but I don't really see that

1 as -- you know, sometimes I just don't know all of the facts,  
2 and we fight about those things. And so I'm not quite sure how  
3 many times there were, but I know there were seven, and that's  
4 the core of his culpability. And whether there were more, I  
5 don't know that it matters that much.

6 MR. BUGNI: Okay. Then I'm going to address those  
7 three points.

8 So the best argument, and really the one that no one  
9 wrestles with, is why does he break it off then? I get you have  
10 the willful blindness. Okay, fine. He's kind of -- but if he  
11 doesn't find out then, if he doesn't actually stop, then  
12 where -- there are no more encounters. What --

13 THE COURT: He stops because she now knows who he is.

14 MR. BUGNI: That's --

15 THE COURT: He's got the real identity then.

16 MR. BUGNI: But then why does he begin again in July?

17 THE COURT: That's a darn good question.

18 MR. BUGNI: Because --

19 THE COURT: Because he thinks it's legal now. He  
20 thinks -- he knows she's 18.

21 MR. BUGNI: No. I mean, Your Honor, it militates  
22 towards it's not that she knows who he is and then he breaks it  
23 off, and now, you know, somebody can know who I am. The other  
24 women he's having affairs with know who he is even though he  
25 uses Jake Thompson, all right? So it's not the fact that, like,

1 "Oh, they're going to contact my wife." It's, "Oh, my gosh. At  
2 this moment, you know, this is what I have." I'll grant you the  
3 willful blindness, okay? He should have known and should have  
4 done better, but it was more than just, "I kind of just didn't  
5 pay attention," you know? There were a lot more steps here to  
6 that, and I think if you're going to take the 60 men and the  
7 evidence that we have of those who -- and you have two who  
8 question and said, like, "Man, that's not right. I'm going to  
9 keep on reverse searching or making sure that this is right,"  
10 well, okay, yeah, that's there, but then the other people in the  
11 heat of the moment didn't have that or didn't have that same  
12 aspect of it. And I think could Peggs have been fooled? Yes.  
13 I sincerely believe Peggs is fooled at that moment. Does it  
14 matter? That's really your central question is, like, does it  
15 matter for production of child pornography? Does it matter for  
16 trafficking?

17 I take two issues. One, when it comes to trafficking, I  
18 don't know if everyone is operating on different definitions of  
19 trafficking. Trafficking of a quid pro quo and there being no  
20 money exchanged for the sex but merely the use of the hotel,  
21 that's what we had here, that Peggs is like, "Look, can anybody,  
22 you know, help me pay for the room that we're going to use," and  
23 that's it. The sharing of the cost of the room is not a thing  
24 of value that's being passed on to her that this is trafficking.  
25 Otherwise --

1 THE COURT: She doesn't have to get any money for it.

2 MR. BUGNI: He doesn't get anything other than  
3 reimbursed in part for the room that he just spent. So now  
4 we've made a federal crime of anytime somebody is going to share  
5 the cost --

6 THE COURT: Of a hotel room to have sex with a  
7 17-year-old girl with a bunch of guys.

8 MR. BUGNI: And does that -- that becomes trafficking  
9 and that, like, "I'm going to split it."

10 THE COURT: Here is another thing --

11 MR. BUGNI: If she was 18 --

12 THE COURT: -- we're also, again, getting off track.  
13 Ms. Pfluger is responding to your comment that they're really  
14 not pursuing the trafficking, as though there is no evidence of  
15 trafficking. Her response to that is that's not the main focus  
16 of this case, but trafficking occurred, and she explained her  
17 theory of it. And this isn't really a traditional trafficking  
18 case, but her point is it probably meets the elements of it.  
19 And whether she gets the -- the victim gets any money is utterly  
20 of no consequence, and whether you can defend it and say that,  
21 "Well, he didn't get money for the sex. He got money for the  
22 hotel room," that's kind of a fine point, and, again, it's not  
23 really the heart of the case.

24 MR. BUGNI: So the heart -- I mean, you said, like,  
25 hey, trafficking is the heart of the case, and now I'll go to



1 the heart of the case of production. But, like, it does matter.  
2 If you're saying --

3 THE COURT: It does matter.

4 MR. BUGNI: Yeah.

5 THE COURT: I agree. I mean, look, he was indicted.  
6 The public controversy was led by that particular charge, so I  
7 take it it's very significant, and I think Ms. Pfluger has  
8 responded, I think, appropriately to your criticism of the  
9 government's case on trafficking, and she's explained her theory  
10 of it, and so -- but she's also said this is really about the  
11 production of the child pornography. So to say it's -- I don't  
12 want to say it's not important, but it's not really the heart of  
13 the case. It's not the core of the case.

14 MR. BUGNI: The core --

15 THE COURT: It's not a very traditional sex trafficking  
16 case, but it probably meets the elements.

17 MR. BUGNI: I would -- we'd be in trial if that's what  
18 it was going at.

19 THE COURT: Yeah.

20 MR. BUGNI: And that would be the first case in the  
21 history of the country that said, hey, something that was just a  
22 sharing of a hotel room has now become trafficking. But let's  
23 go to what your real concern is: Is this really production of  
24 child pornography --

25 THE COURT: Yes.

1 MR. BUGNI: -- all right? Is it that we're going to  
2 ding him like we do most people who produce child pornography --

3 THE COURT: Maybe I can help you out here too, and that  
4 is that I do think knowledge and intent really affects  
5 culpability, even if it's not an element. So the fact that he  
6 thought she was 19 when he made the videotapes is a factor that  
7 I would consider because I think it's not an element of  
8 production of child pornography. He is guilty of child  
9 pornography. It's clearly anticipated that it's relevant  
10 conduct because the plea agreement stipulated that the videos  
11 that are cited in the plea agreement constitute depictions of  
12 sexually explicit conduct. So it's relevant conduct. His  
13 knowledge of her age is not an element of the charge of child  
14 pornography, but it does affect his culpability. So that's why  
15 I think it's important to figure out what did he know, when did  
16 he know it about her age. So we've already discussed that  
17 aspect of it --

18 MR. BUGNI: Right.

19 THE COURT: -- okay? And I think it's at least willful  
20 blindness. I harbor my doubts about whether he, in fact, didn't  
21 really know her age. I'm not persuaded that he didn't know her  
22 age, but it does really matter. And so that goes to his  
23 culpability for producing the child pornography, which he did,  
24 but not everybody who produces child pornography is in the same  
25 category of -- it's not the same spot on the spectrum of evil.

1       So it does matter.

2               MR. BUGNI: It does. It absolutely does.

3               THE COURT: And he didn't set out to make child  
4 pornography. I'll give you that too. This isn't somebody who  
5 said, "I'm going to become a child pornographer," and he didn't  
6 do that.

7               MR. BUGNI: Exactly.

8               THE COURT: I don't think he had a special interest in  
9 having sex with minors.

10              MR. BUGNI: No.

11              THE COURT: But he was willing to have sex with a  
12 minor.

13              MR. BUGNI: He was willing to have sex with somebody  
14 who is a minor who said she was 19, and he turned a blind eye,  
15 but think about the small gradients that we're talking about of  
16 six months. Had it just been six months later, everything  
17 happens in June --

18              THE COURT: It cuts both ways.

19              MR. BUGNI: In what --

20              THE COURT: It's like this: So after he finds out that  
21 he has been involved with arranging group sex acts and  
22 videotaping sex with a 17-year-old girl who's been traumatized  
23 and vulnerable, he waits until her birthday and then a couple  
24 months later then tries to start up again and is eager to start  
25 having sex again with her. She's still just as much a

1 vulnerable, traumatized young woman as she was two or three or  
2 six months before. It's now legal in the sense that she's  
3 crossed the threshold into adulthood, but it's still morally  
4 repugnant.

5 MR. BUGNI: Yes, it's absolutely morally repugnant.  
6 It's so morally repugnant.

7 THE COURT: Yes. It's not illegal anymore, but it was  
8 illegal before. And so, yes, it's a fine distinction, but it  
9 really matters.

10 MR. BUGNI: It does. It matters.

11 THE COURT: It does. It does matter, but it's still --  
12 the fact is it's not like he was having -- it would be worse if  
13 she were 13. All of these gradations matter, but the fact is  
14 that he produced child pornography with a minor. It's child  
15 pornography, and he produced it.

16 MR. BUGNI: And he's a sex offender, and he's -- look,  
17 his whole life is ruined. He goes from making \$135,000 to  
18 working sanitation at the factory, but, like --

19 THE COURT: So what we're arguing about here really, it  
20 seems to me, is despite your suggestion that there's this  
21 enormous gulf in the case, I don't really see an enormous gulf  
22 in the -- what happened. I think we all understand what  
23 happened. I don't think there's that much of a difference  
24 between the government's presentation of the facts and your  
25 presentation of the facts. There are things that to me seem

1 marginal, like how many other times did he meet with her and did  
2 he know for sure that she was 17. They aren't core issues, but  
3 what we really and what I have to do is figure out how culpable  
4 and how dangerous Mr. Peggs is. I have to now deal with the  
5 gradations of wrongfulness, and I see what I see, and I think  
6 the facts are really somewhat secure. So that's why, like, in  
7 the sentencing memos, it always was the invocation of how  
8 complicated a case and how easy it was to get lost. For me what  
9 I have to do is -- because I don't really see huge factual  
10 disputes here. What I see is assessing the wrongfulness of this  
11 conduct, and your view of the case is that Mr. Peggs was a  
12 sexual adventurer, a philanderer, and not just a crummy  
13 husband -- I would quibble with that. He's a nightmare of a  
14 husband -- but I have to -- your view of the case is he was  
15 that, and then along the way he stumbled into the arms of a  
16 17-year-old girl that he thought was 19, and the worst thing  
17 that he did was kept a souvenir of his sexual adventures with  
18 her. And Ms. Pfluger says, no, that's not really the way to  
19 look at this case. The fact is it doesn't matter whether he  
20 knew she was 17. He produced child pornography, as a legal  
21 matter. He produced child pornography and, she says, also  
22 trafficked her, but the focus is on the production of child  
23 pornography. And so they're just gradations of how we view this  
24 conduct that we all agree happened and then assess -- come up  
25 with an appropriate penalty for it.

1 MR. BUGNI: Right.

2 THE COURT: So that's what I think we're here about,  
3 and Ms. Pfluger has presented the case -- as always, I have two  
4 very capable attorneys in front of me, and you're very expert at  
5 presenting a compelling case, both of you are. I admire you  
6 both, and you're doing your jobs for your clients and for the  
7 people of the United States, and I have to now assess, like,  
8 where on this spectrum of this producer of child pornography and  
9 the sexual adventurer who got inadvertently caught up with a  
10 17-year-old, which version of this is correct. And I will tell  
11 you I'm tending to see it a lot more in the government's way  
12 because I don't think it matters that -- it's not an element in  
13 the production of child pornography that you know the age, but  
14 also I think that Mr. Peggs did know her age and was at least  
15 willfully blind to her age. And so -- you know, and as an  
16 educator, he should have been alert, first of all, to the idea  
17 that she might have been young because he works with young  
18 people. This isn't like somebody my age suddenly, like, unable  
19 to tell the difference between a 16-year-old and a 21-year-old.  
20 That's his line of work. But, also, he knew about the  
21 vulnerabilities of children and adolescents, and he just  
22 exploited this person and harmed her. And I think really, you  
23 know, he's not Ragon, but Ragon is a point of reference in terms  
24 of how bad this conduct is.

25 MR. BUGNI: So let me just unpack --

1           THE COURT: So pick up the pieces from my rambling here  
2           and make your best pitch for why he is on the less culpable end  
3           of the spectrum given what we know.

4           MR. BUGNI: Because you've confused two things. You  
5           have confused what is the shittiness of Dan Peggs, the sexual --  
6           I'm going to use your term -- the sexual adventurer, all right?  
7           Like, it's a shitty thing to do. It would be shitty if she was  
8           27. I'd be like, "That's a shitty thing to do."

9           THE COURT: I agree with you there, and one of my big  
10          jobs here is to separate the awfulness of Dan Peggs as a husband  
11          and a man and focus on the criminality that I have in front of  
12          me.

13          MR. BUGNI: Exactly.

14          THE COURT: And so I'm parsing all that out, and so I  
15          got the -- many of the letters I have from the community don't  
16          make those fine distinctions, understandably so. They're  
17          outraged because a public servant has engaged in this horrible  
18          activity, but I'm not here to penalize him for the distasteful  
19          things that he did. I need to sort out that and focus on the  
20          criminality.

21          MR. BUGNI: Exactly. And that's why -- that's why  
22          those points I think earlier matter, and it's that it's wrong to  
23          do this to any human being. It is just wrong. It is using a  
24          person for your own sexual means. They've become a means to  
25          your end, and that's terrible. That's not respecting her

1 dignity, and it's abusive, and it's terrible, all right?  
2 Unfortunately, it's a world that we live in that facilitates  
3 this and allows this, all right? And it's one where the  
4 criminal law is incapable of actually redressing what needs to  
5 be done. It's because we don't criminalize all terrible  
6 behavior, all selfish behavior, and all immoral behavior.  
7 Instead, we criminalize the particular acts that the legislature  
8 has said this is what we're going to hammer you for, and this is  
9 what you've pled guilty to, right?

10 When you try to take that area of the morality of this  
11 sexual cesspool and say, okay, now I'm actually so mad at that  
12 sexual cesspool that you were living in, and so were 80 other  
13 dudes and probably thousands and tens of thousands of others,  
14 I'm just going to hammer it, well, that's not just punishment  
15 for him, and that's not just punishment for what you and I and  
16 hopefully most of the people in this room say that's not how you  
17 treat a human being. Instead, the law says that we have to look  
18 at exactly what he did and what really needs to be done for what  
19 you're going to go and come back in and say I'm going to think  
20 about the instrumental goals, all right?

21 If there were other aspects of Dan Peggs that said he was  
22 flirting at the edges, all right, that he was flirting at the  
23 edges with really young girls, I'd say, man, he does become a  
24 danger. But when they turn over every aspect of his life and it  
25 really is limited to, like, five other women he's having these



1 multiple affairs with and they're all in their mid-20s and late  
2 20s, some of them are married too, it's a cesspool, but it's not  
3 somebody who is going to that. And I agree with you, when he  
4 was 28 years old, again, 28 years old -- this is six years  
5 ago -- and after he finds out that she is, you know, 18 years  
6 old and he re-engages in that relationship, it's a bad thing to  
7 do. It is. But after that there's not much contact. There's  
8 three contacts. There's once in a hotel, the two of them, then  
9 there's once with a married couple, and then once a year later  
10 with her boyfriend that he responds to the ad with. If you were  
11 to say, "Bugni, if he doesn't contact her in July, I agree with  
12 you. I'm going to give him probation because I agree he didn't  
13 go in setting out to create child porn" -- I agree maybe he was  
14 willfully blind, but I quibble -- and I use that word lightly --  
15 quibble with the idea of, like, well, Judge, when did he find  
16 out? You know, like, I have a really good, firm grasp of, like,  
17 when he found out, and there's not that alternative that you can  
18 say with definiteness, and there is more of a visceral, like, I  
19 just kind of think he's shitty, and so I believe he did find out  
20 somewhere along the line, but I can't really explain what  
21 happened on February 12th nor do I really understand everything  
22 else of that break, all right? If you were going to give him  
23 probation if he doesn't contact her in July, then we really are  
24 imputing that cesspool, that cesspool of sexuality that he's  
25 part of, and we're saying, like, we're now going to allow that

1 to influence what we do with punishment because the punishment  
2 for what he did --

3 He didn't set out to make the CP. He didn't set out to  
4 have sex with a 17-year-old, and he didn't try to keep those  
5 videos. Instead, he did keep that souvenir, but that is the  
6 criminal behavior you're looking at, and to the extent you  
7 divide that, that is a heroic action. That's a courageous  
8 action because it says I too hate what has happened to the  
9 sexuality of this country. I too hate how people use women. I  
10 too hate how people use other people, but that is for us as a  
11 society to shun. It's for us to expose. It's for us to  
12 educate. It's for us to pray for, but it is not to go to prison  
13 for. We don't send people to prison who are deviants with other  
14 adults and who are looking only for other adults in their  
15 deviance. Like, we did that for a long time and to very, like,  
16 you know, marginalized groups. And I think, Your Honor, that  
17 when you take that stance and you say, "I am not going to allow  
18 that morality -- or that immorality that you continued, and I  
19 really am uncomfortable with you doing that," and you don't  
20 impute it backwards, then the spectrum shifts. The spectrum  
21 shifts to my position because he's so far different from the  
22 other CP people, the production of CP that we see, and you know  
23 it too.

24 Like, I've sat here with, like, so many of them, and he's  
25 just off the spectrum as far as what he knew, what he did, what

1 he kept, you know, what his purpose was, all of those aspects,  
2 that you'd have to say, "Yeah, you know what? He doesn't need  
3 to be punished. He's right that his life is over, that he's  
4 going to have the hardest time ever, you know, seeing his kids.  
5 It's right that you have to work as a janitor. It's right that,  
6 like, you know, anytime somebody Googles you that, like, they  
7 find out how shitty you are as a human being." All of that is  
8 right, but none of that demands that you go to prison because  
9 prison is left for a certain set of behavior, and this doesn't  
10 fall within that. And I think to the extent that you can  
11 dissect that, that you draw that fine line, that actually  
12 promotes the greatest respect for the law because the respect  
13 for the law is not just limited to like, "Hey, are you going to  
14 walk the line, Peggs?" But the respect for the law says that  
15 which is out there that I don't like and I'm not comfortable, I  
16 don't punish that. I'm able to divide that. The respect for  
17 the law says I punish you for what you did, for what you did  
18 that was illegal, and I see within this spectrum of illegal  
19 behavior where you fall, Mr. Peggs. And just like you've said,  
20 and quoting your words, he didn't set out. It wasn't, you know,  
21 like what he was driving to do. And maybe he was willfully  
22 blind. I don't think it is the fact. I really don't, and I  
23 stand on that very firmly that it was July 12th -- or, sorry,  
24 February 12th, and if those facts are true, which I think you've  
25 embraced two of my three, then the probation sentence is

1 appropriate and prison is not.

2 THE COURT: All right. Thank you. Shall we hear from  
3 the victim now?

4 Good afternoon. I just want to make sure the microphone is  
5 as close to you as you can. And you can stand up, but if you  
6 point it at you, it will be fine. Thank you.

7 JANE DOE: Is this good?

8 THE COURT: That's very good. Thank you.

9 JANE DOE: Okay. Your Honor, I appreciate this time  
10 given to me to introduce myself to you as a person and not just  
11 a Jane Doe on a piece of paper.

12 If you were to ask me where I would be in five years before  
13 I met Dan Peggs, my answer would most certainly be finishing  
14 nursing school or beginning my degree. But following even the  
15 first few encounters, you would have barely gotten a shoulder  
16 shrug. That's how broken I had become. The emotional and  
17 psychological toll it had taken for me to watch someone with his  
18 influence leave his position of leadership to come and have sex  
19 with someone the same age as students in his school created a  
20 black hole in my chest that sucked all respect for the mentor  
21 figures in my life. School became nothing to me. Why should it  
22 matter when people like him pulled the strings? Who could I  
23 really trust or respect?

24 I feel like a different person, a shell of who I used to  
25 be. I had reached rock bottom. Even after I stopped contact

1 with Mr. Peggs, I had such fear and anxiety hidden inside of me.  
2 For a while I tried to keep on with the facade of a normal life.  
3 Sleep no longer came easily, if at all, a problem that has  
4 continued for me to this day. I was estranged from all family  
5 and friends, going through the motions of life without  
6 experiencing it. Not long after, I found I could not function  
7 with these secrets and memories inside my head, and I attempted  
8 suicide the following spring. I turned 18 in a behavioral  
9 health unit with a window from the nurse's station directly next  
10 to my bed and a camera recording every movement so that I would  
11 not attempt to take my own life again. I actually remember my  
12 mom tried to bring me my favorite flavor of cupcake, red velvet,  
13 and they would not allow me to have it until the kitchen could  
14 remove the paper wrapping so I didn't try and choke myself.

15 I still struggle with mental health concerns: night terrors  
16 post-traumatic stress disorder, severe depression, and anxiety.  
17 After all the claims and confusion surrounding this case, one  
18 thing rings true. There's no misunderstanding as to what I went  
19 through and what was done to me and what I will continue to go  
20 through. Daniel Peggs participated in sex with me as a minor  
21 and produced images and videos that will never be scrubbed from  
22 my mind or the internet. Daniel Peggs is not just another  
23 stranger and was not just another stranger. He was a highly  
24 educated upcoming pillar of his community and a skilled  
25 influencer. For him to say that he is not to be held

1       accountable for having violated a minor while producing media of  
2       it continually would be inaccurate. It took strategy and  
3       forethought to have deliberately created lies, manipulated, and  
4       gaslight me. Because of the talks we would have into the early  
5       hours of the morning, I believe he cared about me. Most nights  
6       after anything had happened we would sit around and just talk.  
7       That's more than just another person. I felt I was able to  
8       divulge horrific things to him that no one else would  
9       understand, things like what happened in North Carolina and  
10      things he did absolutely nothing about. But looking back, it  
11      was just a tactic to manipulate and create a false sense of  
12      trust.

13             Daniel Peggs drove from working with children my age to  
14      meet me at a hotel he paid for on multiple occasions to have sex  
15      with me as a minor and capture images and produce child  
16      pornography. He held a position of trust and renown that not  
17      many people can attain. He had wide access to people my age and  
18      enjoyed the power he held in his place. He enjoyed deep down  
19      that he could choose which mask he wore. It was his own little  
20      secret.

21             Even dealing with the impact this one man has left on my  
22      life, I am so glad I found the strength to come forward and say  
23      something because this is the moment I have been given to speak  
24      out against such unforgivable justice. Right here and now is  
25      where I will begin my healing journey, but it's just one of the

1 steps I need to take to find myself again.

2 Daniel Peggs, you no longer have any power over me.

3 From this day, I aim to never speak of him again, but I  
4 hope that he will be thinking of me and everything that he has  
5 done to me every day for the rest of his life.

6 In closing, Your Honor, I would like to voice my request  
7 that you do not take this man's crimes lightly. He is well  
8 versed in controlling his thoughts, actions, and behaviors to  
9 portray the best version of himself, and I truly believe that  
10 there is no path for self-led redemption in someone who has gone  
11 to such lengths to manipulate a person into the situations I was  
12 faced with. I have faith that you will do your due diligence  
13 and utilize the full extent of the law to show me and other  
14 victims of such crimes that coming forward is the best option  
15 and justice is attainable no matter the timing or circumstance.

16 Thank you, Your Honor.

17 THE COURT: Thank you for coming in today. I'm glad to  
18 hear that you're doing somewhat better, and I wish you the best  
19 of luck going forward, and I hope this proceeding gives you a  
20 launching pad to move forward --

21 JANE DOE: I truly appreciate --

22 THE COURT: -- in a healthy way.

23 JANE DOE: -- your defense of me, even not knowing my  
24 face so far.

25 THE COURT: You're very welcome. Thank you again.

1 All right. Mr. Peggs, you've got the right to address me.  
2 You don't have to say anything, but I'd be eager to hear from  
3 you.

4 THE DEFENDANT: Thank you. Thank you, Your Honor.

5 I purposely did not prepare any remarks of any kind. I'm  
6 shaking. I'm petrified. I'm sorry for what I did, for the  
7 relationship that took place, for the time that I spent for  
8 doing what I did. I was in a very dark place during that time  
9 no doubt, and as I acknowledged in my letter to you, sir, my  
10 behavior pushed to the margins of what was socially acceptable  
11 sexual behavior regardless of knowledge of age. I'm the father  
12 of -- I'm the father of four beautiful girls that I need to know  
13 have a role model that is different from what will be portrayed  
14 to them. I am -- I don't know how I will explain this to them  
15 some day. I'm blessed that they have a good mother. And I have  
16 a hard time separating the two of them as children in the school  
17 system and the situation. I do it -- I do attest to the fact  
18 that when I learned her age, that moment caused me to have  
19 physical changes. I shook. I cried. That two-hour drive back  
20 resonates with me like a dagger in February. Regardless, it was  
21 not behavior that I should have participated in, and I am 100  
22 percent able to accept that.

23 When I did learn her age, I was beyond broken. I was  
24 scared not, honestly, for my career or anything of that nature.  
25 My wife at the time and I had gone through a lot, and I was



1 still disrespecting her in a way that I should not have. My  
2 fear was driven from losing my marriage and being separated from  
3 my children. That is my reality now. That consequence has  
4 beared an incredible fruit that I still -- I cry every Monday at  
5 my mom's house as I sit and have a conversation via Zoom with  
6 those girls.

7 When she returned from North Carolina, I didn't know that  
8 she had returned from North Carolina, but eventually she  
9 mentioned some of the things that had happened, not to the  
10 extent that I learned about in the discovery, more along the  
11 lines that it was a weird situation and that she needed to start  
12 to distance herself from Ragon, as I had already done. Had I  
13 known that she was that age at that time -- I was not willfully  
14 blind. The idea was presented to me. Initially, it sounds  
15 like -- and, again, my memory is scathed at times as well. I  
16 remember being skeptical, but I remember receiving or seeing  
17 that ID and being convinced. But it doesn't take away from what  
18 she had endured. It doesn't take away from what she continues  
19 to endure, and as it's been discussed of my personal sexual  
20 behavior in a very public way, it doesn't change the fact that a  
21 school official was behaving inappropriately. Legally the  
22 question is up to what we're doing here. I should not have been  
23 doing what I was doing. I should not have been in the place  
24 that I was in, and I am incredibly sorry for what I have done.  
25 Thank you.

1 THE COURT: Thank you.

2 All right. We'll take a recess. People are going to want  
3 to use the restroom and all that, so we will reconvene at 3:00  
4 and we'll complete the sentencing.

5 THE CLERK: All rise.

6 (Recess at 2:38 p.m. until 3:07 p.m.)

7 THE COURT: Let me begin by thanking counsel for their  
8 excellent work on the case. I appreciate it. It was a  
9 complicated case with -- a lot of effort went into it. I myself  
10 have been dealing with the materials for several weeks. There  
11 really was a lot there, and I appreciate the guidance that  
12 counsel has provided to me. And, again, thanks to all of those  
13 of you who took the time to write to me. I appreciate having  
14 all that input.

15 This is a case that I think is not a case of mere  
16 possession of child pornography, which is the count of  
17 conviction. That, of course, sets the statutory sentencing  
18 range at zero to ten years, but I think, as Ms. Pfluger  
19 suggested, this is really more of a case that focuses on the  
20 production of child pornography, and I think that is the -- kind  
21 of the heart of the crime that I have here, although I also  
22 agree with Ms. Pfluger that technically the elements of sex  
23 trafficking would probably also be satisfied. I think that  
24 there was a commercial sex act here, which has a very special  
25 definition in the law, which is something where anything of

1 value is exchanged for sex. So when the individual contributed  
2 the \$20 toward the hotel room, I think that he had made a  
3 contribution of something of value in exchange for the sex.

4 This is really not a very typical child pornography  
5 production case nor is it a typical -- it's even less typical of  
6 a sex trafficking case, and so in some ways it really does stand  
7 on its own. There aren't a lot of cases that are highly  
8 comparable to this one. This case does have a lot of features  
9 that are common in criminal cases here, and I would point to the  
10 defendant being someone who was very successful and accomplished  
11 in one area of life but then compartmentalizes off another realm  
12 in which a sort of different set of morality pertains and  
13 commits a crime even though he's well regarded as a  
14 superintendent of public instruction. That is commonplace in  
15 crimes. People have people who love them. They're kind to  
16 other people, but there's some aspect of their lives where they  
17 just have -- they play by different rules for some reason.

18 So I will, again, emphasize that knowledge of the age of  
19 the victim is not an element in the crime of production of child  
20 pornography. The logic is that if you're close enough to a  
21 person to make a recording of sex with that person, you're  
22 charged with the responsibility of knowing that person's age.  
23 So it is with sex trafficking. If you have a reasonable  
24 opportunity to observe the victim, you're charged with the  
25 responsibility of knowing that person's age. And so the fact

1       whether or not Mr. Peggs knew that the victim was 17 years old  
2       at the time that the sex and the video recordings were made  
3       really isn't an element of those offenses. It does matter  
4       though, I think, whether he knew because I think it would be  
5       worse if he knew all along that the victim was a minor. I think  
6       that would make it worse.

7               And so it is a matter that I have spent some considerable  
8       time digesting before today's hearing and trying to listen  
9       carefully again today with the evidence that I have. And I  
10      don't find the defendant particularly credible about the age of  
11      the victim. He has stuck to his story that he found out on  
12      February 12th, and I think that it may be the case that he had  
13      persuaded himself that he believed that she was 19 years old.  
14      That's possible. The issue of the ID I think is something of a  
15      puzzlement, but, again, I don't find that particularly  
16      persuasive, largely because there were just too many red flags  
17      about the victim's age prior to that time. The fact that she  
18      had to show him an ID at all I think suggests that the age --  
19      her age was in play in some way, that people had doubts about  
20      that, and I find it plausible that the defendant comforted  
21      himself when he saw the fake that he could assure himself that  
22      she was actually 19. I can accept that explanation, but I think  
23      it's, in a sense, it's kind of a flimsy one. It's sort of -- as  
24      I said, people are good at convincing themselves that what they  
25      want to believe is really true so that when he saw that image of

1       that ID, he was happy to assure himself that she was not a  
2       minor. It was a kind of a self-delusion at best I think. And,  
3       again, it was important to me it was not a fake ID. It was just  
4       a photo of an ID that had been doctored in Photoshop. So if you  
5       wanted to get into a bar using a fake ID, I think you'd need the  
6       actual physical object and not just a picture of it. So it's  
7       really not strong evidence of that.

8               Now, I also agree that the defendant did not set out to  
9       create child pornography. That's not why he engaged with the  
10      victim in this case. He was just interested in having sex with  
11      a beautiful young girl, and the fact is that, in the  
12      circumstances in which the victim found herself under the sway  
13      of Mr. Ragon, that creating child pornography was simply the  
14      price of having sex with her, and Mr. Peggs was eager to pay  
15      that price. In fact, I think that's part of what he liked  
16      because he said he liked being behind the camera. And so I do  
17      think that it is a mitigating factor that it wasn't his  
18      objective when he began. He didn't set out to be a child  
19      pornographer, and I do think that's a mitigating factor, but it  
20      doesn't absolve him of responsibility for what he did. There  
21      are many people who do things that they didn't set out to do  
22      because they wanted something. A person might not set out to be  
23      a bank robber, but they needed the money, and so they robbed the  
24      bank to get it. And so if they have an explanation for why they  
25      desperately needed the money and didn't have any, that might be

1 a mitigating explanation for me, but it doesn't absolve you of  
2 responsibility for what you did. And the fact that Mr. Peggs  
3 didn't set out to have a career as a child pornographer is a  
4 mitigating factor, but it doesn't really absolve him of it. He  
5 was willing to do what it took to have sex with the victim, and  
6 he was willing to disregard all the warning signs that she was a  
7 minor. And so that is my assessment of the offense, which is  
8 one of the first things that I have to consider in sentencing.

9 I'm also required to consider the character of the  
10 defendant, and I think it would be worth beginning by saying  
11 some things that I think are not true about the defendant that  
12 were expressed to some degree in the letters. And it's an  
13 understandable concern, but I think it would be fair for me to  
14 just put it out there that I don't think there is any evidence  
15 that Mr. Peggs has any interest in prepubescent children. He is  
16 not a pedophile, and a pedophile is not someone just who is  
17 interested in minors, but it's a specific disorder in which a  
18 person is attracted to prepubescent children. It's a  
19 specialized disorder, and it's a very intractable problem and  
20 hard to deal with, and it is a facet in many child pornography  
21 cases, and it's just not part of this one. Mr. Peggs doesn't  
22 have any interest in young children. There's no evidence at all  
23 to suggest that.

24 I think it's also fair to acknowledge here that in Mr.  
25 Peggs' case he did not use his position as the superintendent of

1 schools or his position as an educator to groom children or to  
2 take advantage of his students. That's not part of this case  
3 either. It happened to be, and it's an unfortunate  
4 circumstance, that he was in a position as an educator, and I  
5 think that that's not an inconsiderable factor to consider here,  
6 that, you know, he has a special responsibility to young people,  
7 but he did not use his position here to gain access to students.  
8 There were no -- none of his students were at special risk  
9 because of his position. He was not grooming children. So I'm  
10 setting those things to the side. That's not what this case is  
11 about.

12 Mr. Peggs has a lot to be proud of. He is a prominent and  
13 successful member of the community, extraordinarily so that he  
14 became a principal and then a superintendent at such a young  
15 age. He's obviously very smart, very articulate, and I also  
16 believe that in some sense he really cares about education and  
17 children. But, as I said, there are many people who are able to  
18 compartmentalize out another aspect of their lives where they  
19 play by a different set of rules, and this is, I think, in Mr.  
20 Peggs's case a really extraordinary example of that. He  
21 virtually led a double life as, on the one hand, the young  
22 rising star superintendent and, on the other hand, Jake  
23 Thompson, a sexual adventurer who was really just a completely  
24 different person and was willing to do almost anything to have  
25 sex with as many people as he could garner. And I think that

1 the bottom line here is that when I look at Mr. Peggs, I have to  
2 acknowledge that I think he's actually a very systematically  
3 dishonest and very selfish person, despite his accomplishments  
4 as an educator. And I think that his sexual preoccupation has  
5 driven him to a level of risk-taking that I don't think he fully  
6 controls or has really fully acknowledged, and that's a very  
7 scary thing.

8 Now, I want to be clear that I am not sentencing Mr. Peggs  
9 for his infidelity or his sexual interests or his sexual habits.  
10 That's not why we are here. I'm sentencing Mr. Peggs for what  
11 he did to the victim in this case. I'm focusing on his conduct  
12 that was the crime in this case. But it is why I think his  
13 conduct after the victim turned 18 is important. I'll say this:  
14 It was perfectly legal for him to contact the victim after she  
15 turned 18. That's not the issue. But his reaching out to her  
16 after he knew that she was a minor and had been sexually  
17 exploited by Mr. Ragon and that he himself had sexually  
18 exploited her when she was 17, the fact that after her birthday  
19 he would turn to her again showed that he was willing to use a  
20 devastated young woman for his own sexual pleasure. He wasn't  
21 really interested in doing anything to help her. The  
22 correspondence suggests that it was really another sexual  
23 conquest for him. She was beautiful, and he was -- he wanted to  
24 have sex with her.

25 And so this then leads me to the goals that I have to



1 accomplish in sentencing, and I've always said that the  
2 protection of the public is job number one for me in this job.  
3 When I'm called upon to sentence people, I think the most  
4 important consideration -- this is one of those things that Mr.  
5 Bugni referred to as the instrumental goal of sentencing. So I  
6 have sentencing, and I need to accomplish safety of the public,  
7 and many of the factors in the Section 3553(a) of the United  
8 States statutes, which lays out the factors I should consider in  
9 sentencing, many of them are what I call instrumental in that  
10 they're designed to protect the public. Mr. Bugni has done his  
11 best to argue that Mr. Peggs poses no risk to the public, but  
12 I'm simply not persuaded, and the reason I'm not persuaded is  
13 that Mr. Peggs has known for years that his sexual  
14 preoccupations have placed everything that he values at risk,  
15 and it has never been enough to stop him. He has been incapable  
16 of maintaining fidelity to his wife, and, again, he's not here  
17 because of his unfaithfulness, but when I look at his conduct  
18 and what his sexual preoccupations have driven him to do, I see  
19 that there is scant limits on what it would do. And in this  
20 case it drove him to encounter the victim, and, despite all the  
21 warning signs that she was a minor, he was able to set those  
22 aside and proceed with arranging group sex activities with a  
23 17-year-old girl. And I don't think he fully understands those  
24 proclivities, he's unable to control them, and I think that that  
25 makes him a risk to the public. So I'm not confident that he's

1 at no risk to reoffend. I think that he has done extraordinary  
2 things, and he's risked many, many things, including his career,  
3 his family, and the consequences to his victim, in order to  
4 satisfy his sexual desires. So I think that a term of  
5 imprisonment is needed to protect the public.

6 I also have to consider the need for deterrence. That's  
7 part of the instrumental goals. So a punishment that is a  
8 painful sacrifice for the defendant will have the effect of  
9 deterring that individual from committing future crimes because  
10 they don't want to endure the punishment again. If I let Mr.  
11 Peggs off with a light sentence, I think there's a risk that he  
12 would return to behavior that I think is risky and dangerous and  
13 perhaps victimize another person. And I say this recognizing  
14 that there are profound collateral consequences to the  
15 conviction here. Even above and beyond the sentence that I  
16 impose, Mr. Peggs will be a sex offender and will be required to  
17 register as a sex offender, and he has lost his job. He will be  
18 a felon. And so even apart from any sentence I impose, there  
19 are enormous consequences. Nevertheless, I do believe that a  
20 prison sentence is appropriate for deterrence, to protect the  
21 public, and also, I think, to send a message of general  
22 deterrence, and I think this is one of those cases where it's  
23 fair to send a message to public officials and to educators that  
24 this -- sexual encounters with minors will not be tolerated and  
25 will be severely punished. In addition to the instrumental

1 goals of sentencing, there are what I call the moral goals of  
2 sentencing, and the sentencing factors call upon me to impose a  
3 sentence that provides just punishment and that reflects the  
4 seriousness of the offense, and I think that here also calls for  
5 a serious punishment largely to reflect the abuse that the  
6 victim endured.

7 And so synthesizing all of those things and recognizing  
8 that my obligation is to the community, to protect you and to  
9 make people feel that justice has been done, but also  
10 recognizing that I have an obligation to Mr. Peggs to respect  
11 his rights and to impose a fair sentence, I am going to decline  
12 to impose a sentence at the statutory maximum. I believe a  
13 sentence of eight years incarceration is an adequate sentence to  
14 serve the purposes of sentencing. So the sentence will be eight  
15 years. That will be followed by ten years of supervised  
16 release.

17 The term for which he is to register as a sex offender is  
18 not a decision that I make. He will be required to register as  
19 a sex offender under the federal law, and I believe that this  
20 will be a Tier 1 offense, which means that he'll be obligated to  
21 register as a sex offender -- the basic term is 15 years will be  
22 how long he will have to register as a sex offender, but that's  
23 a consequence of the federal Sex Offender Registration and  
24 Notification Act. That's not up to me to set, so I don't  
25 have -- it's not a period that I set. All right. So that's the

1 sentence and my justification for it.

2 We have a set of conditions that are proposed and justified  
3 in the presentence report. I know Mr. Bugni has raised  
4 objections to those, or at least to some of those. I will  
5 address them generally, and then I will take any further  
6 argument that Mr. Bugni has. I'm not sentencing -- I recognize  
7 that this is an unusual child pornography case in many ways, as  
8 I've said before. The set of conditions that are proposed are  
9 more or less among the standard conditions for sex offender  
10 cases, and I think they're appropriate here because I'm  
11 sentencing Mr. Peggs for his -- for what he has done, and on the  
12 basis of my explanations for why he has done it and why I think  
13 he poses a risk to the public, I think these conditions are  
14 appropriate in this case.

15 I observe, as I do in all cases, that these conditions can  
16 be adjusted during the term of supervision. If it turns out  
17 that Mr. Peggs does well on supervision and these conditions  
18 aren't all needed, they can be adjusted during the term of  
19 supervision. And, again, I recognize that Mr. Peggs does not  
20 have an interest in prepubescent children, which would warrant  
21 even, if anything, more extreme conditions, but I think these  
22 conditions are appropriate.

23 So with that, Mr. Bugni, do you want to make any  
24 particularized arguments on the conditions?

25 MR. BUGNI: Yeah. I'll argue a couple.

1 THE COURT: All right.

2 MR. BUGNI: Number one, I don't think that anything  
3 that you've said would actually warrant a restriction upon his  
4 ability to travel or to travel without that sort of freedom.  
5 There's nothing within his crime that involved interstate travel  
6 nor any travel other than two hours south to the Dells. I think  
7 it's very standard that -- I know that the response is, hey, he  
8 just has to tell his probation agent, but the probation agent  
9 can deny that ability to travel, and it's -- it doesn't need to  
10 be that kind of imposition.

11 As far as the ability to monitor his taxes, there's nothing  
12 about his crime that is touched upon by finances or anything  
13 that would be helped with monitoring.

14 THE COURT: Let me point to the real issue here is it's  
15 the renting of the hotel rooms.

16 MR. BUGNI: I don't believe you have to actually report  
17 renting of the hotel rooms on your IRS -- on your taxes.

18 THE COURT: It's the credit card receipts.

19 MR. BUGNI: How about you can have his credit card --  
20 monitor his credit cards and bank spending if that's what you'd  
21 like.

22 THE COURT: That's the objective of the condition. I'd  
23 be willing to entertain that.

24 Is there any objection from the government on that  
25 modification of that condition?

1 MS. PFLUGER: No.

2 THE COURT: All right. So Condition No. 13 would be  
3 modified to reflect credit card and bank statements rather than  
4 financial information generally.

5 I'm going to overrule your objection on Condition No. 1. I  
6 think he did travel, although the travel was within the  
7 district. I think that travel to engage in other sexual acts I  
8 think is a concern that I would have. The victim, for example,  
9 in this case did travel out of state to North Carolina to engage  
10 with somebody who had been engaged online, and so I think  
11 Condition No. 1 is appropriate.

12 I'll amend Condition No. 13 as requested.

13 MR. BUGNI: No more.

14 THE COURT: All right. And let me ask if you'd like  
15 the conditions read.

16 MR. BUGNI: No.

17 THE COURT: All right. So I will just reiterate the  
18 conditions can be changed. I will impose conditions 1 through  
19 4, 7 through 9, and 11 through 23. I'm also required to impose  
20 the statutorily-required conditions. There are three: Don't  
21 commit any new crimes, don't illegally possess any controlled  
22 substances, and cooperate in providing a DNA specimen.

23 The point of supervision is not to trip you up and send you  
24 back to prison, so I would encourage you to embrace supervision  
25 that way. Maintain a good relationship with your supervising

1 officer. If you do that, there's almost no problem you would  
2 encounter that we can't deal with short of revocation, and, as I  
3 said, the conditions can be modified if that is appropriate  
4 while you're on supervision.

5 The defendant doesn't have any history of drug use, and the  
6 offense is not drug related, so I will waive the requirement of  
7 drug testing.

8 It is adjudged that the defendant is to pay the mandatory  
9 \$100 criminal assessment penalty to the Clerk of Court for the  
10 Western District of Wisconsin immediately following sentencing.  
11 I would encourage you to fulfill your obligation to make that  
12 payment so that it doesn't interfere with your participation in  
13 programming in the Bureau of Prisons.

14 MR. BUGNI: Sorry, Your Honor.

15 THE COURT: Yes.

16 MR. BUGNI: We already paid the special assessment.

17 THE COURT: Very good. I'm pleased to hear that.

18 Thank you.

19 All right. And so I understand the parties are asking me  
20 to set restitution out for 90 days in the hopes that you can  
21 reach agreement or otherwise we'll have a hearing; is that  
22 correct?

23 MS. PFLUGER: Yes, Your Honor. In the case of Bryan  
24 Ragon, there was a significant restitution order, and I'm going  
25 to be taking the evidence submitted in that case and submit it

1 in this case. So it will probably be a fairly complicated  
2 process, but hopefully we can work something out.

3 THE COURT: All right. Very good. So I'll set  
4 restitution out for 90 days.

5 I will find that the defendant does not have the means to  
6 pay a fine under guideline Section 5E1.2(c) without impairing  
7 his ability to support himself and his family upon release from  
8 custody, so I impose no fine.

9 I have already granted the final order of forfeiture for  
10 the property that was seized.

11 And I think -- do we have the -- is the \$5,000 assessment  
12 applicable in this case?

13 MS. PFLUGER: No, it is not.

14 THE COURT: It's not applicable. Okay. So we don't  
15 have to worry about that.

16 The probation office is to notify local law enforcement  
17 agencies and the state attorney general of the defendant's  
18 release to the community.

19 And, by the way, I should justify the ten-year term of  
20 supervised release. The sentence of incarceration plus the  
21 ten-year term of supervised release will ensure that the  
22 supervision continues through the adulthood of his children. I,  
23 of course, don't have authority over his interactions with his  
24 children. I understand that's a matter for family court in  
25 state court, but this term of supervision will provide a lengthy



1 period of protection of the public, but also the children will  
2 be adults when this term of supervision expires.

3 Okay. We have an indictment and a superseding indictment  
4 to be dismissed. Is the government moving to dismiss those?

5 MS. PFLUGER: Yes, we are, Your Honor.

6 THE COURT: Very good.

7 Mr. Bugni, have I adequately addressed your arguments in  
8 mitigation?

9 MR. BUGNI: Yes, Your Honor.

10 THE COURT: Okay. All right. And, Mr. Peggs, I'm  
11 going to inform you of your right to appeal. You have a waiver  
12 of your right to appeal in the agreement, so I don't think you  
13 will have a right to appeal, but if there is any residual right  
14 to appeal because your plea was somehow unlawful or invalid,  
15 you've got the right to appeal on that limited basis, but if you  
16 want to appeal, you'd have to file a notice of appeal within 14  
17 days of entry of judgment or within 14 days of any notice of  
18 appeal filed by the government if they were to appeal. And if  
19 you can't afford the filing fee, you could apply for leave to  
20 appeal *in forma pauperis*, which means without paying the filing  
21 fee, and if you can't afford an attorney to represent you, you  
22 can apply for court-appointed counsel at government expense.

23 All right. I think I have covered everything except Mr.  
24 Peggs either going into custody or reporting. So does the  
25 government have a position on it?

1 MS. PFLUGER: Your Honor, as we put in our sentencing  
2 memo, we would request immediate detention. There's no reason  
3 to not have immediate detention. He's known this was coming and  
4 that this was a possibility.

5 THE COURT: All right. And is this a mandatory  
6 detention case?

7 MS. PFLUGER: I don't know.

8 MR. BUGNI: It's -- well, sorry, Your Honor. You've  
9 already made the finding that the mandatory detention -- to  
10 allow him to stay out, so the clear and convincing finding that  
11 you've already made should carry through, and it should allow  
12 him to get his final affairs in order. And while this is  
13 something that, you know, maybe he would have known is coming,  
14 his attorney asked for probation. Clearly I asked too low, but  
15 it's one where he's shown no danger to the community. He's  
16 abided by every condition, and you can trust him to show up. I  
17 just ask that he be allowed to have the holidays with his family  
18 and show up the 6th of January.

19 THE COURT: I'll grant that request.

20 MR. BUGNI: Thank you, Your Honor.

21 THE COURT: So you will report to an institution that  
22 I'll identify in a further court order on January 6th between  
23 the hours of noon and 2:00 p.m., and the release conditions that  
24 cover your conduct will be continued until that time.

25 I think I have covered everything, but let me check in. Is

1       there anything else I need to address, Ms. Pfluger?

2               MS. PFLUGER: I wasn't sure if you had given any  
3 further thought or if we need to maybe brief this, but if the  
4 sentencing memos could be sealed.

5               THE COURT: Oh, yes. This is a case of such importance  
6 that I recognize the privacy interests of the victim but also  
7 the public's right to know what's going on here, so I would ask  
8 each of you to prepare redacted copies of your sentencing  
9 memoranda so that you can redact the information about the  
10 victim, and then we'll have redacted versions available to the  
11 public.

12              MS. PFLUGER: Your Honor, I believe those have already  
13 been filed. I think what the victim, from my understanding --  
14 the part about her history of prostitution or things that --  
15 that is very disturbing to her to be in the public.

16              MR. BUGNI: How about this: Why don't Ms. Pfluger and  
17 I can talk afterwards, and I'll redact whatever specifics, and  
18 I'll file something for you.

19              THE COURT: All right. Does that work?

20              MS. PFLUGER: Yes.

21              THE COURT: All right. Because I do think there's  
22 keen -- as evidenced by the people in the courtroom here,  
23 there's a keen interest in the case, and I think the public has  
24 a right to know, but I do respect the victim's privacy, so work  
25 that out. I can referee any quibbles that you have about it.

1 All right. So, Ms. Pfluger, is that it?

2 MS. PFLUGER: Yes.

3 THE COURT: Mr. Bugni?

4 MR. BUGNI: Yes, it is, Your Honor.

5 THE COURT: Anything else, Ms. Stieve?

6 OFFICER STIEVE: Does the Court have any  
7 recommendations for programming in the BOP?

8 THE COURT: That is a good point. I did skip over  
9 that. So, yes, I would recommend that you be afforded  
10 prerelease placement in a residential re-entry center with work  
11 release privileges. I will recommend that you receive sex  
12 offender treatment and also that you be allowed to participate  
13 in vocational programming while you're incarcerated.

14 All right. Thank you, all.

15 THE CLERK: All rise. This court stands in recess.

16 (Proceedings concluded at 3:36 p.m.)

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1 I, JENNIFER L. DOBBRATZ, Certified Realtime and Merit  
2 Reporter in and for the State of Wisconsin, certify that the  
3 foregoing is a true and accurate record of the proceedings held  
4 on the 2nd day of December, 2021, before the Honorable  
5 James D. Peterson, Chief U.S. District Judge for the Western  
6 District of Wisconsin, in my presence and reduced to writing in  
7 accordance with my stenographic notes made at said time and  
8 place.

9 Dated this 28th day of December, 2021.

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15 \_\_\_\_\_/s/ Jennifer L. Dobbratz\_\_\_\_\_

16 Jennifer L. Dobbratz, RMR, CRR, CRC  
17 Federal Court Reporter  
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